



U.S. Department of Justice

Federal Bureau of Investigation
Washington, D.C. 20535

April 29, 2016

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
Subject: KOTT, IRVING J

[REDACTED]

Records responsive to your request were previously processed under the provisions of the Freedom of Information Act (FOIA). Enclosed is one CD containing 1,314 pages of previously processed documents and a copy of the Explanation of Exemptions. Documents or information originating with other Government agencies originally referred to that agency were not included in this release. This release is being provided to you at no charge.

Additional records potentially responsive to your subject exist. If all 2,138 pages are released on CD, you will owe \$85.00 in duplication fees (6 CDs at \$15.00 each, less \$5.00 credit for the first CD included in this release). Releases are made on CD unless otherwise requested. Each CD contains approximately 500 reviewed pages per release. The 500 page estimate is based on our business practice of processing complex cases in segments.

Should you request that the release be made in paper, you will owe \$106.90 based on a duplication fee of five cents per page. See 28 CFR §16.10 and 16.49. Please submit a new FOIA request if you would like the FBI to conduct a search of the indices to our Central Records System.

Please remember this is only an estimate, and some of the information may be withheld in full pursuant to FOIA/Privacy Act exemption(s). Also, some information may not be responsive to your subject. Thus, the actual charges could be less.

Requester Response

No payment is required at this time. If your request does not qualify for eFOIA releases, you must notify us in writing within thirty (30) days from the date of this letter of your format decision (paper or CD). You must also indicate your preference in the handling of your request in reference to the estimated duplication fees from the following four (4) options:

☐ I am willing to pay estimated duplication/ international shipping fees up to the amount specified in this letter.

☐ I am willing to pay fees of a different amount.

Please specify amount: _____

☐ Cancel my request.

If we do not receive your duplication format decision and/or estimated duplication fee selection within thirty (30) days of the date of this notification, your request will be closed. Include the FOIPA Request Number listed above in any communication regarding this matter.

For your information, Congress excluded three discrete categories of law enforcement and national security records from the requirements of the FOIA. See 5 U.S. C. § 552(c) (2006 & Supp. IV (2010)). This response is limited to those records that are subject to the requirements of the FOIA. This is a standard notification that is given to all our requesters and should not be taken as an indication that excluded records do, or do not, exist.

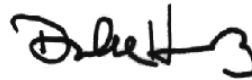
You have the opportunity to reduce the scope of your request; this will accelerate the process and could potentially place your request in a quicker processing queue. This may also reduce search and duplication costs and allow for a more timely receipt of your information. The FBI uses a multi-queue processing system to fairly assign and process new requests. Simple request queue cases (50 pages or less) usually require the least time to process.

Please advise in writing if you would like to discuss reducing the scope of your request and your willingness to pay the estimated search and duplication costs indicated above. Provide a telephone number, if one is available, where you can be reached between 8:00 a.m. and 5:00 p.m., Eastern Standard Time. Mail your response to: **Work Process Unit; Record Information/Dissemination Section; Records Management Division; Federal Bureau of Investigation; 170 Marcel Drive; Winchester, VA 22602**. You may also fax your response to: 540-868-4997, Attention: Work Process Unit.

For questions regarding our determinations, visit the www.fbi.gov/foia website under "Contact Us." The FOIPA Request number listed above has been assigned to your request. Please use this number in all correspondence concerning your request. Your patience is appreciated.

You may file an appeal by writing to the Director, Office of Information Policy (OIP), United States Department of Justice, Suite 11050, 1425 New York Avenue, NW, Washington, D.C. 20530-0001, or you may submit an appeal through OIP's FOIAonline portal by creating an account on the following web site: <https://foiaonline.regulations.gov/foia/action/public/home>. Your appeal must be postmarked or electronically transmitted within sixty (60) days from the date of this letter in order to be considered timely. If you submit your appeal by mail, both the letter and the envelope should be clearly marked "Freedom of Information Act Appeal." Please cite the FOIPA Request Number assigned to your request so that it may be easily identified.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Hardy", with a stylized flourish at the end.

David M. Hardy
Section Chief,
Record/Information
Dissemination Section
Records Management Division

EXPLANATION OF EXEMPTIONS

SUBSECTIONS OF TITLE 5, UNITED STATES CODE, SECTION 552

- (b)(1) (A) specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and (B) are in fact properly classified to such Executive order;
- (b)(2) related solely to the internal personnel rules and practices of an agency;
- (b)(3) specifically exempted from disclosure by statute (other than section 552b of this title), provided that such statute (A) requires that the matters be withheld from the public in such a manner as to leave no discretion on issue, or (B) establishes particular criteria for withholding or refers to particular types of matters to be withheld;
- (b)(4) trade secrets and commercial or financial information obtained from a person and privileged or confidential;
- (b)(5) inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency;
- (b)(6) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;
- (b)(7) records or information compiled for law enforcement purposes, but only to the extent that the production of such law enforcement records or information (A) could reasonably be expected to interfere with enforcement proceedings, (B) would deprive a person of a right to a fair trial or an impartial adjudication, (C) could reasonably be expected to constitute an unwarranted invasion of personal privacy, (D) could reasonably be expected to disclose the identity of confidential source, including a State, local, or foreign agency or authority or any private institution which furnished information on a confidential basis, and, in the case of record or information compiled by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, information furnished by a confidential source, (E) would disclose techniques and procedures for law enforcement investigations or prosecutions, or would disclose guidelines for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law, or (F) could reasonably be expected to endanger the life or physical safety of any individual;
- (b)(8) contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions; or
- (b)(9) geological and geophysical information and data, including maps, concerning wells.

SUBSECTIONS OF TITLE 5, UNITED STATES CODE, SECTION 552a

- (d)(5) information compiled in reasonable anticipation of a civil action proceeding;
- (j)(2) material reporting investigative efforts pertaining to the enforcement of criminal law including efforts to prevent, control, or reduce crime or apprehend criminals;
- (k)(1) information which is currently and properly classified pursuant to an Executive order in the interest of the national defense or foreign policy, for example, information involving intelligence sources or methods;
- (k)(2) investigatory material compiled for law enforcement purposes, other than criminal, which did not result in loss of a right, benefit or privilege under Federal programs, or which would identify a source who furnished information pursuant to a promise that his/her identity would be held in confidence;
- (k)(3) material maintained in connection with providing protective services to the President of the United States or any other individual pursuant to the authority of Title 18, United States Code, Section 3056;
- (k)(4) required by statute to be maintained and used solely as statistical records;
- (k)(5) investigatory material compiled solely for the purpose of determining suitability, eligibility, or qualifications for Federal civilian employment or for access to classified information, the disclosure of which would reveal the identity of the person who furnished information pursuant to a promise that his/her identity would be held in confidence;
- (k)(6) testing or examination material used to determine individual qualifications for appointment or promotion in Federal Government service the release of which would compromise the testing or examination process;
- (k)(7) material used to determine potential for promotion in the armed services, the disclosure of which would reveal the identity of the person who furnished the material pursuant to a promise that his/her identity would be held in confidence.

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# [REDACTED]

Total Deleted Page(s) = 18
Page 27 ~ Referral/Consult;
Page 28 ~ Referral/Consult;
Page 39 ~ Referral/Consult;
Page 40 ~ Referral/Consult;
Page 41 ~ Referral/Consult;
Page 49 ~ Referral/Consult;
Page 50 ~ Referral/Consult;
Page 56 ~ Referral/Consult;
Page 58 ~ Referral/Consult;
Page 70 ~ b6; b7C; b7D;
Page 78 ~ b6; b7C; b7D;
Page 79 ~ b6; b7C; b7D;
Page 80 ~ b6; b7C; b7D;
Page 81 ~ b6; b7C; b7D;
Page 82 ~ b6; b7C; b7D;
Page 87 ~ b6; b7C; b7D;
Page 88 ~ b6; b7C; b7D;
Page 89 ~ b6; b7C; b7D;

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Memorandum

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 08-15-2011 BY 60324 UC BAW/STP/STW



To : LEGAT BRUSSELS (163-BL-NEW) Date 9/21/94
ATTN: ALAT [redacted]
From : SAVANNAH INFORMATION TECHNOLOGY CENTER (SITC)
INVESTIGATIVE INFORMATION SERVICES (IIS)
Subject: ~~CTMM~~, INC. (# 34936)

Analyst: TIS [redacted]

Attached are printouts re results of queries conducted by SITC-IIS. Also attached are two copies of a reply form. It is requested that you record the SITC-IIS accomplishments on these forms, return one copy to SITC-IIS, and keep one copy with the printouts as a serial in your case file.

FBIHQ indices query disclosed 1 record. Albany indices were negative.

Corporate queries disclosed the following:

- 1) an SEC filing/abstract,
- 2) 2 international company profiles, and
- 3) a business information report (update in progress, will forward when received by SITC).

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New York property records query re 145 Jordan Rd, Troy, NY, disclosed a record with owner as Klersy Bldg Corp.

Info contained

LED FROM MM
Title: IRVING Kott, Unsubs;
Fraudulent Manipulation
of Purchase of Computer
Integrated Modular Manufacturing
(CTMM), Inc Stock; FPC-CEM;
FBW - International
00: BL
163A-BL-1657-1

① Brussels
1- ALAT [redacted] (Fax)
1- SITC [redacted]
CJZ
(3)
LEAD ASSIGNED [redacted]

TICKLER SET *30 Jan*

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 27 1994	
LEGAT - BRUSSELS	
Smith	

FOX DATE & TIME OF ACCEPTANCE:

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REQUEST OF BUREAU: EADU, IRD REQUESTED TO REVIEW BUFILE 163-62115 RE CIMM, INC AND FURNISH RESULTS TO BRUSSELS AND ALBANY.

THE LUXEMBOURG JUDICIAL POLICE (LJP) ADVISED THEY ARE CONDUCTING INVESTIGATION OF CAPTIONED SUBJECTS CONCERNING PURCHASE OF CIMM STOCK IN ORDER TO DETERMINE THE LEGALITY OF THEIR ACTIVITIES. LJP ADVISED THAT CAPTIONED COMPANY IDENTIFIED AS CIMM, INC., WAS QUOTED IN THE NASDAQ IN 1988 - 1990 AS BEING LOCATED AT 145 JORDAN ROAD, TROY, NEW YORK 12180. LJP SOUGHT ALL AVAILABLE INFORMATION, ESPECIALLY THAT AVAILABLE THROUGH THE US SECURITIES AND EXCHANGE COMMISSION (SEC). LJP ADVISED THAT KOTT, IDENTIFIED AS A WELL KNOWN, INTERNATIONAL FRAUD ARTIST ORIGINALLY FROM CANADA, WANTED TO BUY CIMM STOCK WITH A LOAN OF DUBIOUS ORIGIN BUT NOT MORE SPECIFICALLY DESCRIBED. KOTT AND SUBJECT [REDACTED] (NOT FURTHER IDENTIFIED) USED A LUXEMBOURG STOCK BROKAGE CALLED PETRUSS SECURITIES, INCORPORATED (PSI) WHICH, UNDER THEIR DIRECTION, TRIED TO GET INVESTORS TO PURCHASE THE STOCK. LJP BELIEVES THAT, IN FACT, THE MONEY WAS NOT TO BE USED TO PURCHASE THE STOCK, BUT WAS TO BE A LOAN TO CIMM, INC.

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LEGAT BRUSSELS MADE TELEPHONIC CONTACT WITH SEC, NEW YORK, ATTORNEY [REDACTED] WHO ADVISED THE FOLLOWING INFORMATION REGARDING CIMM, INC.:

NAME: CIMM, INC., ADDRESS: 120 ERIE BOULEVARD, SCHENECTADY, NEW YORK 12035, TELEPHONE NUMBER: 518-393-4597, TAX IDENTIFICATION NUMBER: 141686911. [REDACTED] ADVISED CIMM WAS INCORPORATED IN NEW YORK STATE AND MADE ITS FIRST FILING WITH THE SEC 9/23/87, TO BE EFFECTIVE FEBRUARY 19, 1988, THEREBY MAKING IT POSSIBLE FOR IT TO HAVE BEEN TRADED IN 1988 - 1990 AS INDICATED BY LJP. SEC ADVISED PREFERENTIAL STOCK HOLDERS LISTED AS [REDACTED] AND THE AUDITORS LISTED AS [REDACTED] ALSO NOTED THAT A COMPANY CALLED "FNIC, SA" WAS LISTED AS A BENEFICIAL HOLDER. OFFICERS OF CIMM LISTED AS [REDACTED] [REDACTED] ADVISED THAT FILES RELEVANT TO EACH CORPORATION LISTED WITH THE SEC ARE THE SAME IN ALL REGIONAL OFFICES.

LJP ADVISED THAT IRVING KOTT WAS A WELL KNOWN CANADIAN INTERNATIONAL FRAUD ARTIST. WHILE HE WAS NOT FURTHER DESCRIBED, BRUSSELS INDICES CONTAIN REFERENCE TO AN IRVING

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KOTT INVOLVED IN GEMSTONE FRAUDS, REPORTED UNDER 196-BL-329. BRUSSELS QUERIED OTTAWA'S INDICES, WHICH INDICATE THE FOLLOWING THREE REFERENCES: 281A-LA-146285, 281A-MM-54888 AND 196A-NY-18970. INDICES NEGATIVE OF RE [REDACTED] AND LJP FURNISHED NO ADDITIONAL INFORMATION, EXCEPT THAT [REDACTED] MAY BE FROM ISRAEL AND THAT HE ^{Formerly} ~~FORMALLY~~ TRIED TO BUY TRIANGLE CORPORATION, A SUBSIDIARY OF "AMERICANCAN", AND THAT HE IS KNOWN FOR CONDUCTING INSIDER TRADING AND OPERATES PETRUSS SECURITIES, INCORPORATED.

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LJP REQUESTED ANY AVAILABLE INFORMATION REGARDING CIMM AND SUBJECTS.

BRUSSELS MADE A QUERY OF SAVANNAH INFORMATION TECHNOLOGY CENTER (SITC) WHICH DISCLOSED THAT CIMM, INCORPORATED, IS REFEREED TO IN BU FILE 163-62115, A 1990 REFERENCE REGARDING THE SUBJECT [REDACTED] NO FURTHER INDICES REFERENCES NOTED. ALBANY INDICES NEGATIVE RE FROMM, KOTT AND CIMM. SITC DID DISCLOSE THAT AN SEC FILING, DATED 4/2/90 REGARDING ~~GENRAD~~, INCORPORATED, 300 BAKER AVENUE, CONCORD, MASSACHUSETTS 01742, TELEPHONE NUMBER 508-369-4400. GENRAD, INC., IDENTIFIED AS PUBLICLY TRADED STOCK COMPANY WHOSE ANNUAL

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REPORT CONTAINED REFERENCE TO CIMM, INC., TEXT OF WHICH SAYS THAT GENRAD ESTABLISHED RELATIONS WITH COMPANIES TO PROVIDED DESIGN AND TEST TOOLS INTEGRATED WITH GENRAD SYSTEMS FOR MAXIMUM BENEFIT TO CUSTOMERS, FIRST SUCH RELATIONSHIP ESTABLISHED WITH COMPUTER INTEGRATED MODULAR MANUFACTURING, INC., (CIMM) FOR THE COOPERATIVE DRAWING AND MARKETING OF AUTOMATIC INTERFACES BETWEEN GENRAD BOARD TEST SYSTEMS AND CIMM'S AUTOMATION.

SITC FURTHER INDICATED THAT CIMM, INCORPORATED WAS THE RECIPIENT OF THE FIRST EUROPEAN ORDER FOR ELECTRICAL EQUIPMENT PLACED BY KRONE, AG, A GERMAN CORPORATION LOCATED AT BEESKOWDAMM 3-11, D-1000 BERLIN 37 GERMANY, TELEPHONE NUMBER 03088530, TELFAX 03088531703, CIMM SYSTEM WAS AWARDED THIS IN AUGUST 1988, THE ENTRY DATE FOR THE LEXIS/NEXIS CHECK WAS 9/16/94.

SITC FURTHER ADVISED THAT LEXIS/NEXIS CHECK INDICATED ENTRY DATED 1/14/93 FOR CIMM, INC., LOCATED 145 JORDAN ROAD, TROY, NEW YORK 12180 AS NOTED BY LJP. CORRESPONDENCE PHONE LISTED AS 518-283-7600, INDUSTRY DESCRIBED AS VARIOUS SERVICES CONSUMER GOODS, REPORT SHOWS THAT CIMM, INCORPORATED, TRADED

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ON NASDAX AS INDICATED BY LJP. GROSS SALES AS OF 1990 LISTED
AS 1.52 MILLION DOLLARS. MAJOR SHAREHOLDERS LISTED AS
FOLLOWS:

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[REDACTED]
[REDACTED] MANAGEMENT LIMITED; AND
JERART FINANCIAL SERVICE, INC.

MANAGEMENT IDENTIFIED AS FOLLOWS:

[REDACTED]
[REDACTED]
OF INTEREST IN LEXIS/NEXIS CHECK IN (CFA R-BASE), CIMM,
INC., INDICATES 1990 OPERATING PROFIT MARGIN OF MINUS 10039.44
MILLION US DOLLARS. OPERATING INCOME LISTED AS MINUS 2.13
MILLION DOLLARS, TOTAL DEBT AS A PERCENTAGE OF TOTAL ASSETS
LISTED AS 112.33 PERCENT, SUBSTANTIAL FOREIGN GROWTH ASSETS
AND 35 MILLION DOLLARS WORTH OF CURRENT ASSETS, TOTAL GROSS
PROFIT MARGIN LISTED AS 26.51 MILLION DOLLARS.

SITC ALSO NOTED RESULTS OF DUN & BRADSTREET (D&B), WHO
ACKNOWLEDGED NOT UPDATING REPORTS SINCE 7/27/93, D&B INDICATES
ERIE BOULEVARD, SCHENECTADY ADDRESS SET FORTH ABOVE, WHICH IS

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PRESUMABLY OUT OF DATE. HOWEVER, THAT D&B REPORT SHOWS A NUMBER OF JUDGEMENTS ENTERED AS LATE AS DECEMBER 1993, AGAINST CIMM, BY [REDACTED] AND CORPORATIONS WHICH APPEAR TO BE CREDITORS THEREOF. PROMINENTLY INCLUDED IN AMONG THOSE ARE TWO DIFFERENT DOCKET JUDGEMENTS BY THE NEW YORK STATE TAX COMMISSION, DOCKET NUMBERS 752 FROM APRIL 1991 AND 14, \$51,988 DOLLARS AND ONE BY THE INTERNAL REVENUE SERVICE (IRS) FOR \$81,095 DOLLARS. THE LIEN BY IRS IS REPORTED AS FILED WITH SECRETARY OF STATE, UCC DIVISION, ALBANY.

SITC FURTHER REPORTS AS OF JULY 1993, CIMM HAD ONE SUBSIDIARY, IDENTIFIED AS CIMM GMBH, AMBERG, WEST GERMANY, A ONE HUNDRED PER CENT WHOLLY OWNED SUBSIDIARY CHARTED MAY 1987, THIS SUBSIDIARY OPERATES AS A MARKETER OF A COMPANY'S PRODUCTS IN EUROPE.

SITC ALSO FURNISHED REPORT OF PROPERTY RECORD ALBANY COUNTY, NEW YORK, FOR 145 JORDAN BOULEVARD, WHICH INDICATES THAT AS OF 3/1/93, THAT ADDRESS WAS RESIDENTIAL VACANT LAND.

AS NOTED ABOVE, IRVING KOTT IDENTIFIED AS OF CANADIAN ORIGIN. WITH CONCURRENCE OF LJP, BRUSSELS HAS CONTACTED

[REDACTED]

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REPRESENTATIVE FOR THE BENELUX COUNTRIES, AS LEGAT BRUSSELS IS. HAS ADVISED KOTT IS SUBJECT OF ON GOING MAJOR FRAUD INVESTIGATION, WHICH MAY DOVETAIL INTO CAPTIONED MATTER; ABOVE INFORMATION HAS BEEN FURNISHED TO CLO WHO WILL PROVIDE ADDITIONAL DETAILS TO BRUSSELS AND LJP WHEN AVAILABLE.

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ALBANY AT ALBANY, NEW YORK. CONTACT NEW YORK STATE, SECRETARY OF STATE, AND OBTAIN AVAILABLE UP-TO-DATE DETAILS REGARDING CIMM, INCORPORATED;

2) CONDUCT APPROPRIATE INVESTIGATION TO ITS ACTUAL LOCATION.

3) CONTACT LOGICAL SOURCES AND LAW ENFORCEMENT AGENCIES RE ACTIVITIES OF CIMM.

LOS ANGELES AT LOS ANGELES, CALIFORNIA. REVIEW 281A-LA-146285 FOR INFORMATION REGARDING IRVING KOTT, BOTH PHYSICAL DESCRIPTION AND ACTIVITIES WHICH MAY BE RELEVANT TO CAPTIONED MATTER.

MIAMI AT MIAMI, FLORIDA. REVIEW 281A-MM-54888 FOR PHYSICAL DESCRIPTION AND ACTIVITIES OF KOTT, WHICH MAY BE RELEVANT TO CAPTIONED MATTER.

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NEW YORK AT NEW YORK, NEW YORK. (1) REVIEW 196A-NY-18970
FOR PHYSICAL DESCRIPTION OF KOTT AND ACTIVITIES WHICH MAY BE
RELEVANT TO CAPTIONED MATTER. (2) CONTACT [REDACTED] SEC
NEW YORK, TELEPHONE [REDACTED] FOR AVAILABLE SEC REPORTS ON
CIMM, INCORPORATED. (3) FURNISH SEC INFORMATION TO BRUSSELS
FOR PASSAGE TO LJP.

[REDACTED] THE NETHERLANDS. OBTAIN
DETAILS OF [REDACTED]

LEGAT BRUSSELS AT LUXEMBOURG VILLE, LUXEMBOURG. MAINTAIN
CONTACT WITH LJP.

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FM FBI ALBANY (163A-BL-657) (P)

TO DIRECTOR FBI/PRIORITY/

LEGAT BRUSSELS (163A-BL-657)/PRIORITY/

FBI LOS ANGELES/PRIORITY/

FBI MIAMI/PRIORITY/

FBI NEW YORK/PRIORITY/

LEGAT OTTAWA/PRIORITY/

BT

UNCLAS E F T O

CITE: //3010//

PASS: HQ- CID, FOREIGN LIAISON UNIT, OLIA.

SUBJECT: ERVING KOTT; UNSUBS; FRAUDULENT PURCHASE
OF COMPUTER INTEGRATED MODULAR MANUFACTURING (CIMM),
INCORPORATED STOCK; FPC-GCM; FBW-INTERNATIONAL; OO: BRUSSELS.

REFERENCE LEGAT BRUSSELS TELETYPE TO DIRECTOR DATED

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 08-15-2011 BY 60324 UC BAW/STP/STW

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JAN 17 1995	
LEGAT - BRUSSELS	

Smith

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JANUARY 12, 1995.

INVESTIGATION AT ALBANY, NEW YORK CONDUCTED IN EFFORT TO DETERMINE LOCATION OF COMPUTER INTEGRATED MODULAR MANUFACTURING INC. AS STATED IN REFERENCED TELETYPE, THE ALBANY COUNTY PROPERTY RECORDS REFLECTED THE 145 JORDAN BOULEVARD WAS RESIDENTIAL VACANT LAND. HOWEVER, IT IS NOTED THAT THE JORDAN ROAD ADDRESS GIVEN FOR CIMM WAS FOR TROY, NEW YORK, WHICH IS IN RENSSELAER COUNTY, NOT ALBANY COUNTY. INQUIRY AT 145 JORDAN BOULEVARD, TROY, NEW YORK, ON JANUARY 12, 1995 DETERMINED THAT THERE IS NO LONGER ANY BUSINESS KNOWN AT THAT ADDRESS BY THE NAME CIMM OR BY THE NAME COMPUTER INTEGRATED MODULAR MANUFACTURING, INCORPORATED. THE 145 JORDAN ROAD ADDRESS IS LOCATED WITHIN THE RENSSELAER TECHNOLOGY PARK WHICH IS LOCATED IN SOUTH TROY, NEW YORK JUST OFF ROUTE 4. RENSSELAER TECHNOLOGY PARK IS A PROJECT OF RENSSELAER POLYTECHNIC INSTITUTE, A RENOWNED SCHOOL LOCATED IN TROY, NEW YORK WITH EMPHASIS ON SCIENCE TECHNOLOGY AND ENGINEERING STUDIES.

ON JANUARY 12, 1995, [REDACTED]
RENSSELAER TECHNOLOGY PARK WAS INTERVIEWED AT HIS OFFICE
LOCATED AT 100 JORDAN ROAD, TROY, NEW YORK 12180. [REDACTED]

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PAGE THREE DE FBIAL 0001 UNCLAS E F T O

ADVISED THAT CIMM WAS FORMERLY LOCATED IN OFFICES AT 145 JORDAN BOULEVARD. HE BELIEVES THAT IT WAS [REDACTED] WHO WAS THE PRINCIPLE ORGANIZER AND THE DRIVING FORCE BEHIND CIMM, WHO OPERATED THE OFFICES AT THE TECHNOLOGY PARK LOCATION.

[REDACTED] DESCRIBED [REDACTED] AS A VERY RESPECTED INDIVIDUAL WHO HAS WORKED IN THE PAST FOR GENERAL ELECTRIC AS AN INNOVATOR AND PIONEER IN RESEARCH AND DEVELOPMENT OF VARIOUS PRODUCTS. [REDACTED] ADVISED THAT [REDACTED] IS ABOUT 70 YEARS OF AGE AND IS NOW WORKING IN THE SCHENECTADY, NEW YORK AREA. [REDACTED] ADVISED THAT THE CIMM ENTERPRISE WAS A FINANCIAL FAILURE AND BECAUSE OF THEIR LACK OF SUCCESS, THEY HAD TO LEAVE THE OFFICES WHICH THEY HAD BEEN OCCUPYING IN THE RENSSELAER TECHNOLOGY PARK [REDACTED] SAID HE HAD A GREAT DEAL OF RESPECT FOR [REDACTED] AND THOUGHT IT WAS UNFORTUNATE THAT IN THE COURSE OF HIS EFFORTS TO DEVELOP PRODUCTS UNDER CIMM THAT [REDACTED] LOST CONSIDERABLE MONIES AND WAS NOT ABLE TO MAKE THE VENTURE SUCCESSFUL.

[REDACTED] ADVISED, THAT SUBSEQUENT TO LEAVING THE RENSSELAER TECHNOLOGY PARK, [REDACTED] BUSINESS WAS MOVED TO 120 ERIE BOULEVARD, SCOTIA, NEW YORK 12305, A TOWN IMMEDIATELY

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PAGE FOUR DE FBIAL 0001 UNCLAS E F T O

ADJACENT TO SCHENECTADY, NEW YORK. [] ADVISED THAT [] WAS SPONSORED BY THE FIRST NATIONAL BANK LOCATED ON ERIE BOULEVARD IN SCOTIA. HOWEVER, [] ADVISED THAT RECENTLY MATERIAL SENT FROM RENSSELAER TECHNOLOGY PARK TO THE 120 ERIE BOULEVARD ADDRESS HAD BEEN RETURNED TO HIM UNDELIVERED.

[] ADVISED THAT [] HAS A HOME ADDRESS OF []
[] HIS HOME TELEPHONE
NUMBER IS []

IN VIEW OF THE INFORMATION PROVIDED BY [] IT IS CONSIDERED THAT [] WOULD BE ABLE TO PROVIDE SUBSTANTIAL INFORMATION OF VALUE CONCERNING INSTANT INVESTIGATION. HOWEVER, ALBANY WILL HOLD IN ABEYANCE CONTACT WITH [] UNTIL APPROVAL FOR THAT DIRECT CONTACT IS RECEIVED FROM OFFICE OF ORIGIN.

ALBANY INDICES NEGATIVE FOR CIMM, [], KOTT AND []

INVESTIGATION AT ALBANY TO LOCATE STATE RECORDS AND OTHER LEADS STILL BEING PURSUED. THIS MATTER REMAINS PENDING. THE ABOVE INFORMATION IS PROVIDED TO RECEIVING OFFICES FOR THEIR INFORMATION.

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FM FBI LOS ANGELES (163A-BL-657) (RUC)

TO DIRECTOR FBI/PRIORITY/

FBI ALBANY/PRIORITY/

FBI MIAMI/PRIORITY/

FBI NEW YORK/PRIORITY/

LEGAT BRUSSELS (163A-BL-657)/PRIORITY/

LEGAT OTTAWA/PRIORITY/

BT

UNCLAS E F T O

CITE: //3410:CE-6//

PASS: FBIHQ: CID, FOREIGN LIAISON UNIT, OLIA.

SUBJECT: IRVING KOTT; UNSUB(S); FRAUDULENT
PURCHASE OF COMPUTER INTEGRATED MODULAR MANUFACTURING (CIMM),
INCORPORATED STOCK; FPC - GCM; FBW - INTERNATIONAL; OO:
BRUSSELS.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 08-15-2011 BY 60324 UC BAW/STP/STW



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*Not per -
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disseminated
X*

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SEARCHED

JAN 27 1995

Smith

PAGE TWO DE FBILA 0019 UNCLAS E F T O

REFERENCE LEGAT BRUSSELS TELETYPE TO THE DIRECTOR DATED JANUARY 12, 1995 AND ALBANY TELETYPE TO THE DIRECTOR AND RECEIVING OFFICES DATED JANUARY 13, 1995.

FOR THE INFORMATION OF THE BUREAU AND RECEIVING OFFICES, A REVIEW OF LOS ANGELES FILE 281A-LA-146285 ENTITLED MARKET MAKER; OO: LOS ANGELES, REVEALED THAT IRVING KOTT WAS NAMED AS A SUBJECT IN A GROUP I OPERATION CONDUCTED AT LOS ANGELES IN CONNECTION WITH THE MARKET MAKER CASE. THE SOURCES UTILIZED IN THE MARKET MAKER OPERATION DESCRIBED KOTT AS A INTERNATIONAL STOCK MANIPULATOR LOCATED IN TORONTO, CANADA. SOURCES ALSO INDICATED THAT KOTT HAD INTERNATIONAL BANKERS AND MONEY LAUNDERERS WORKING WITH HIM IN EUROPE AND UTILIZED AN INDIVIDUAL BY THE NAME OF [REDACTED] IN SWITZERLAND TO CONDUCT HIS ILLEGAL ACTIVITIES.

NO CONTACT WAS MADE DURING THE GROUP I OPERATION WITH IRVING KOTT BY THE SOURCES UTILIZED IN THE MARKET MAKER INVESTIGATION.

A REVIEW OF THE MARKET MAKER FILE AT LOS ANGELES REVEALED NO INFORMATION CONCERNING [REDACTED] OR INFORMATION CONCERNING COMPUTER INTEGRATED MODULAR MANUFACTURING (CIMM).

BT

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PAGE THREE DE FBILA 0019 UNCLAS E F T O

#0019

NNNN

0003 MRI 01537

PP RUCNFB BRU

DE FBIMM #0022 0302226

ZNR UUUUU

P 302207Z JAN 95

FM FBI MIAMI (163A-BL-657) (A-1) (RUC)

TO DIRECTOR FBI/PRIORITY/

LEGAT BRUSSELS/PRIORITY/

BT

UNCLAS

CITE: //3460//

PASS: FBIHQ, EADU, IRD, ECU, FCS AND IRUI, IRB CID.

SUBJECT: IRVING KOTT; UNSUB(S); FRAUDULENT
PURCHASE OF COMPUTER INTEGRATED MODULAR MANUFACTURING (CIMM),
INCORPORATED STOCK; FPC-GCM; FBW-INTERNATIONAL; OO: BRUSSELS.

RE LEGAT BRUSSELS TELETYPE TO MIAMI, DATED JANUARY 12,
1995.

A REVIEW OF MIAMI FILE 281A-MM-54888, REFLECTS A LETTER
FROM THE
ONTARIO, DATED DECEMBER 16, 1992. THIS LETTER WAS A RESPONSE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 08-15-2011 BY 60324 UC BAW/STP/STW

b6
b7C
b7D

163A-BL-657-9
to
JAN 19 1995
Smith

PAGE TWO DE FBIMM 0022 UNCLAS

FROM FBI, MIAMI REQUEST FOR ANY INFORMATION THAT [] HAD REGARDING GENOVESE LCN FAMILY MEMBER, CHARLES JAMES DELMONICO AND HIS ASSOCIATES.

THE [] PROVIDED THE FOLLOWING INFORMATION REGARDING IRVING KOTT:

IRVING DAVID KOTT WAS BORN OCTOBER 12, 1930, AT MONTREAL, QUEBEC. HE IS 6'2" TALL. HAS BLUE EYES AND IN 1979 WEIGHED 200 LBS. HIS [] INCLUDES A FINE OF \$500,000 IN 1976 AT TORONTO FOR CONSPIRACY TO DEFRAUD. BOTH HE AND HIS

b6
b7C
b7D

[] WERE INTERVIEWED BY MEMBERS OF THE MONTREAL COMMERCIAL CRIME SECTION IN NOVEMBER OF 1992 AT MONTREAL.

IRVING KOTT IS BELIEVED TO RESIDE AT 3875 DE RAMEZAY, MONTREAL, QUEBEC. THE TELEPHONE NUMBER THERE IS (514) 937-4696 AND IS LISTED TO HIS [] THE INDICES OF THE [] INDICATES THAT IRVING KOTT IS A "TOP CANADIAN WHITE COLLAR CRIMINAL" PRIMARILY INVOLVED IN SECURITIES FRAUDS.

INASMUCH AS MIAMI HAS NO FURTHER OUTSTANDING LEADS, THIS CASE IS CONSIDERED RUC.

BT

#0022

NNNN

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 1/27/95

b6
b7C

TO : LEGAT, BRUSSELS (163A-BL-657)
 FROM : ADIC, NEW YORK (BQ) (163A-BL-R-657) (P) (C-20)
 SUBJECT : IRVING KOTT;
 UNSUB(S); FRAUDULENT
 PURCHASE OF COMPUTER INTEGRATED
 MODULAR MANUFACTURING (CIMM),
 INCORPORATED STOCK
 FPC - GCM; FBW - INTERNATIONAL
 (OO: BRUSSELS)

ALL INFORMATION CONTAINED
 HEREIN IS UNCLASSIFIED
 DATE 08-15-2011 BY 60324 UC BAW/STP/STW

Re Legat, Brussels teletype to Director; etal,
 dated 1/12/95.
 Re Albany teletypes to Director; etal, dated
 1/13 and 20/95.

Enclosed for Legat, Brussels are copies of SEC
 reports on CIMM, Incorporated, which were provided by
 Attorney, SEC, 7 World Trade Center, NYC, to
 IA on 1/24/95.

LEAD

Will provide Legat, Brussels, results of review of
 New York file 196A-NY-189703, requested in referenced Brussels
 communication.

2-Legat, Brussels (163A-BL-657) (Encl. 1)
 1-New York (BQ) (163A-BL-R-657)

MFW:slf
 (4)

*enclosures sent
 to Put 2 2/7/95
 no copies kept
 by BL*

163A-BL-657-11

SEARCHED ☒ INDEXED ☒
 SERIALIZED ☒ FILED ☒
 FEB 06 1995
 FBI - BRUSSELS
 Smith

Approved: WAG/

Transmitted

(Number)

(Time)

Per

0016 MRI 01498

PP RUCNFB BRU

DE FBINY #0024 0462346

ZNR UUUUU

P 151945Z FEB 95

FM FBI NEW YORK (163A-BL-R-657) (RUC) (C-20)

TO DIRECTOR FBI (163A-BL-657)/PRIORITY/

LEGAT BRUSSELS (163A-BL-657)/PRIORITY/

BT

UNCLAS

CITE: //3540:3613//

PASS: HQ FOR CID, FOREIGN LIAISON UNIT, OLIA.

SUBJECT: IRVING KOTT; UNSUB(S) FRAUDULENT;
PURCHASE OF COMPUTER INTEGRATED MODULAR MANUFACTURING (CIMM),
INCORPORATED STOCK; FPC-GCM; FBW-INTERNATIONAL; OO:BRUSSELS.

RE LEGAT, BRUSSELS TELETYPE TO DIRECTOR; ET AL, DATED
JANUARY 12, 1995; NEW YORK (BQ) AIRTEL TO LEGAT, BRUSSELS,
DATED JANUARY 27, 1995, ENCLOSING COPIES OF SEC REPORTS ON
CIMM, INCORPORATED; LOS ANGELES TELETYPE TO DIRECTOR; ET AL,
DATED JANUARY 26, 1995.

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 08-15-2011 BY 60324 UC BAW/STP/STW

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b7c

~~SECRET~~

~~P2~~

163A-BL-657-13 ✓

SEARCHED <i>[initials]</i>	INDEXED <i>[initials]</i>
SERIALIZED <i>[initials]</i>	FILED <i>[initials]</i>
FEB 16 1995	
LEGAT — BRUSSELS	
<i>[signature]</i>	

PAGE TWO DE FBINY 0024 UNCLAS

FOR INFORMATION OF LEGAT, BRUSSELS, A REVIEW OF NEW YORK
FILE 196B-NY-189703, PENDING INVESTIGATION ENTITLED, [REDACTED]
[REDACTED] ROBYNS CAPITAL CORP.; FBW," REVEALED THAT ACCORDING
TO INFORMATION PROVIDED BY THE CANADIAN AUTHORITIES, IRVING
KOTT WAS BORN ON OCTOBER 12, 1930, IN MONTREAL, QUEBEC,
CANADA. HIS [REDACTED] IN
1989, INFORMATION WAS RECEIVED THAT KOTT WAS TRYING TO ARRANGE
FINANCING FOR CIMM, INC., OF TROY, NEW YORK, THROUGH JERART
FINANCIAL SERVICES, INC. IN QUEBEC. PRINCIPALS OF CIMM WERE
[REDACTED]

NEW YORK OFFICE (NYO) COMPUTERIZED INDICES WERE NEGATIVE
REGARDING THE NAME, [REDACTED]

AS THERE REMAINS NO FURTHER INVESTIGATION TO BE CONDUCTED
IN THIS MATTER, NEW YORK (BQ) IS PLACING CASE IN A RUC STATUS.

BT

#0024

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0001 MRI 02875

PP BRU FBIAL

DE RUCNFB #0137 0560311

ZNY EEEEE

P 242129Z FEB 95

FM DIRECTOR FBI (163A-HQ-62115)

TO LEGAT BRUSSELS (163A-BL-657)/PRIORITY/

FBI ALBANY/PRIORITY/

BT

UNCLAS E F T O

CITE: //0436//

SUBJECT: [REDACTED] IRVING KOTT; UNSUB(S); FRAUDULENT PURCHASE
OF COMPUTER INTEGRATED MODULAR MANUFACTURING (CIMM), INCORPORATED
STOCK; FPC - GCM; FBW - INTERNATIONAL; OO: BRUSSELS.

REURTEL JANUARY 12, 1995.

BUFILE 163A-HQ-62115 LISTED IN URTEL, IS CAPTIONED [REDACTED]

[REDACTED] FPC - GCM (CONSPIRACY)." A
MEMORANDUM DATED SEPTEMBER 11, 1990, IS BEING FAXED TO YOUR
OFFICE FOR YOUR REVIEW.

ADMINISTRATIVE SECTION:

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 08-15-2011 BY 60324 UC BAW/STP/STW

b6
b7c

163A-BL-657-14

SEARCHED	INDEXED
SERIALIZED	FILED
FEB 27 1995	
LEGAT - BRUSSELS	

Smith

PAGE TWO DE RUCNFB 0137 UNCLAS E F T O

b7D

FOR YOUR INFORMATION ONLY, 163A-HQ-62115 WAS INITIATED UPON
A LETTER RECEIVED FROM THE
A COPY OF THIS LETTER DATED MAY 24, 1990, IS BEING FAXED TO YOUR
OFFICE WHICH CONTAINS INFORMATION REGARDING CIMM AND OTHER
INDIVIDUALS MENTIONED IN URTEL.

BT

#0137

NNNN



FBI FACSIMILE COVERSHEET

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 08-15-2011 BY 60324 UC BAW/STP/STW

PRECEDENCE

- ☐ Immediate
☒ Priority
☐ Routine

CLASSIFICATION

- ☐ Top Secret
☐ Secret
☐ Confidential
☐ Sensitive
☒ Unclassified

Time Transmitted: 8:25

Sender's Initials: Py

Number of Pages: 22
(Including Cover Page)

b6
b7C

To: LEGAT BRUSSEL (163A-BL-657)
(Name of Office)

Date: 2/27/95

Facsimile Number: 011-32-2-512-9941
9941

Attn: _____
(Name Room Telephone)

From: FBIHQ/Executive Agencies Subunit
(Name of Office)

Subject: Irving Kott; Unsub(s);

reurtel 1/12/95 & butel 2/27/95

Special Handling Instructions: _____

Originator's Name: RM 4105

Telephone: X4892

Originator's Facsimile Number: 202-324-9890

163A-BL-657-15

Approved: Py

SEARCHED	INDEXED
SERIALIZED	FILED
FEB 27 1995	
LEGAT - BRUSSELS	

Smith

FBI/DO

Objective: Growth for the Years Ahead.

Fidelity Capital Appreciation Fund.

Investors with long-term growth objectives should consider Fidelity Capital Appreciation Fund as part of a diversified investment plan. Capital Appreciation Fund is aggressively managed to identify those stocks with high potential for growth in the years ahead—stocks of large and small companies in markets both here and abroad.

Investment Period	Capital Appreciation Fund	SP-500
1970-1971	17.1%	12.1%
1971-1972	21.1%	14.1%
1972-1973	21.1%	14.1%
1973-1974	21.1%	14.1%
1974-1975	21.1%	14.1%

Fidelity Capital Appreciation Fund has achieved a total return of 19.3% since the fund began on 11/26/66 vs. 8.7% for the SP-500. The fund's share price and returns will vary, and you may have a gain or loss when you sell your shares.

These total returns are historical and include change in share price, reinvestment of dividends and capital gains, and the effect of a 1% sales charge and 1% redemption fee. Average annual total returns for more than 1 year cannot be a smooth compounded rate of return and are not the fund's only performance results, which must be viewed over the periods shown. Figures for the SP-500 are reported under the heading of Standard & Poor's Composite Index. Figures for the SP-500 are reported under the heading of Standard & Poor's Composite Index. Figures for the SP-500 are reported under the heading of Standard & Poor's Composite Index.

Fidelity Capital Appreciation Fund, for a free fact sheet including more complete information on management fees and expenses, please call or write for a free prospectus. Please read carefully before you invest or send money. Fidelity Distributors Corporation (General Distribution Agent), P.O. Box 66060, Dallas, TX 75266-0603. Fidelity Investments CODE BAR-CAP-500000

Your personal trading advantage...

The Super Personal Ticker™
from TRANS-LUX



Serious investors realize watching the tape is an important technique for spotting accumulations of specific stocks before they become apparent to the general market. Trans-Lux's Super Personal Ticker™ automates the process. It's a selective, it prints only trades of stocks you select - from 1 to 70 issues - and is also programmable by block size. It has instant recall. Symbol keying brings you the last trade in any of your stocks. It's easy. Add, delete or revise any issue on your watch list any time by entering the appropriate stock symbols. It's a hard copy. Permanent printed records are provided. It's real time. A genuine advantage over systems that run 15 minutes behind the market. It's full time and wireless. The Super Personal Ticker constantly watches and records the tape without noise or rest breaks. It's cost efficient. Especially when compared with interrogation devices. Call toll-free now for details. 1-800-243-5544 (in CT, 203-253-4327) or use coupon.

Please send me information on the Super Personal Ticker

Name _____ Title _____

Company _____

Address _____

City _____ State _____ Zip _____

Phone _____

Mail to: Trans-Lux Corporation
Attention: Sales and Marketing
115 Park Ave. North
New York, NY 10018

TRANS-LUX

1972

1970

1971

Who's Riding This Horse? A Shady Tout Backs an OTC Number

By DIANA HENRIQUES

LOS ANGELES—No doubt about it: Ray D'Onofrio is back in business.

Ray's name is not exactly a household word like, say, "Boesky" or "Vesco," so this news may not strike a chord of alarm with the investing public. And that's a pity—indeed, perhaps a danger. For in the past 18 years, Ray D'Onofrio has assembled a criminal record at least as colorful as that infamous pair, and rather more extensive.

He has pleaded guilty to criminal charges of securities and bankruptcy fraud and served a short stint in prison in the mid-Seventies. His past co-defendants have included Wall Street notables and foreign financiers, some of whom he ultimately helped convict as the price of his own plea bargain with the government. His sprawling grounds stretch from Long Island, where he helped look a major dairy in the late 'Sixties, to Salt Lake City, where his stock deals again drew the attention of the Securities and Exchange Commission as recently as 1982. The one common thread in D'Onofrio's varied and perilous career is this: When the dust settles, lots of small investors were left holding the bag—usually a bag of dearly won money over-the-counter stock.

That it should be of more than passing interest to learn that D'Onofrio, his son Mark, and a man identified as his anonymous brother, John Harper, are now in the business of advising small publicly held companies through an outfit called United Atlantic Investments, founded by one of its clients as "investment bankers"

and by one of its associates as "a loose-knit group that does deals."

No matter of those deals is available, unfortunately, and neither D'Onofrio nor anyone at United Atlantic was willing to chat about their business. But Ferron's has located at least one of United Atlantic's current investment-banking clients—a little Oregon company called Kinetics.

Fueled by exaggerated claims about the company's products and potential, stock in Kinetics soared from early 1987 levels of around \$10 a share to well past \$20 a share in January—only to collapse in February. With somewhere around 14 million shares outstanding, according to Kinetics, the company's market capitalization of nearly \$140 million stands in sharp contrast to its sparse assets and limited track record. And throughout this roller-coaster ride, details of the company's financial affairs have been almost impossible to come by.

Camel as its corporate structure seems to be, United Atlantic Investments sports an impressive address: Suite 640, 1901 Avenue of the Stars, Century City, Los Angeles. But that lofty home office turns out to be a front-office arrangement that the company shares with at least two dozen other small corporations with names like "Beverly Hills Consulting Corp." and "Fortune Care USA." Two cherry conspicuous field offices for one and all: Phones jangle in the back rooms, which are backlit by the smoky sunlight of Southern California.

It's a far piece from here to the Long Island Sound where

D'Onofrio's first notable encounter with the criminal justice system occurred.

On Feb. 9, 1971, in a federal indictment announced by Attorney General John Mitchell, the government charged that D'Onofrio conspired with co-defendant Joseph P. Pfleger, at the time state Supreme Court justice, New York, to take control of the W.M. Evans Dairy Co., the Evans Amityville Dairy. The defendants, the prosecution alleged, then sold off the dairy assets and pocketed the cash before causing the dairy to file bankruptcy. D'Onofrio is pleaded guilty to bankruptcy fraud in federal court in New York and testified against a judge who was convicted April 1971. D'Onofrio was fined \$10,000 and given a three-year probation.

Before his probationary period was over, however, D'Onofrio had other problems. In November 1971, the SEC filed a massive civil complaint in federal court in New York against D'Onofrio and 43 other individual and corporate defendants, alleging securities fraud and stock manipulation.

A second civil complaint was filed in the same court August 1972, charging that D'Onofrio was "the architect of a scheme to sell the put the unregistered shares of company called Galeo Lease Systems Inc. at artificially inflated prices." At the same time D'Onofrio was again indicted by a federal grand jury in Manhattan, this time on criminal charges of bribery and money laundering. His co-defendants



Los Angeles, California 90024
Federal Bureau of Investigation

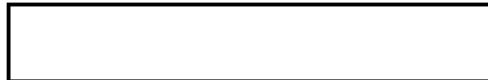
ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 08-15-2011 BY 60324 UC BAW/STP/STW

In Reply, Please Refer to
File No

September 11, 1990



The Los Angeles and Newark Divisions of the FBI have been working an extensive stock fraud cases involving organized crime figures in the United States. The cases involve brokers in the United States, Canada, and Europe who promote and manipulate the price of penny stocks to artificially high levels and subsequently sell them in the open market on unsuspecting investors. Los Angeles has developed information from a sensitive confidential source that indicates there is extensive LCN involvement in the stock fraud schemes; however, the monies that they derive from these schemes are unknown at this time.

[redacted] is a stock promoter in Los Angeles who has direct contact with HARRY DAVID LEONARD, true name SALVATORE GIGLIO, a BONANNO LCN Family Member currently living in Santa Monica, California. [redacted] also has direct contact with FRANK COPPA, a BONANNO LCN Member living in New York City who conducts his business through two brokers in Newark, New Jersey, named [redacted] GIGLIO has direct contacts with [redacted] the brother of [redacted] both New York La Cosa Nostra (LCN) associates. Through investigation, Los Angeles has determined that [redacted] reports directly to HARRY LEONARD and discusses his stock activities and pending financial gains with LEONARD.

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The Los Angeles confidential source advised that in October, 1988, [] met with IRVING KOTT and []. The purpose of the meeting was to have DAVIS and ERIC WYNN take over a brokerage firm they controlled by the name of GREENTREE SECURITIES. [] are to run the firm; however, KOTT and [] will keep control of the company. Los Angeles does not have any information as to whether or not these two individuals did in fact take over the company for KOTT and [].

The address at 2265 Westwood Boulevard, Suite 837, Los Angeles, California, is a mail drop used by D'ONOFRIO and COMPANY. The mail drop was rented by [] and the Los Angeles Group has their correspondence directed to that address. In the course of the Los Angeles investigation, the company names of "WESTWOOD CAPITAL, INC., RONART CORPORATION, ROCCO'S AUTO SCHOOLS, FAIRGATE LTD., and EURAMPLEX CAPITAL CORPORATION, are all names used by these individuals as companies holding stock in their various deals.

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b7C

The Los Angeles source reveals that HARRY LEONARD's [] was in Europe selling stock for [] and left Europe after [] was arrested by French authorities. The source advised that after [] arrest in France, [] contacted HARRY LEONARD and discussed [] situation and his possibility of making bail. A review of [] personal telephone book revealed that there were the names of nineteen (19) LCN members and associates listed in the book.

During the latter part of 1989, Los Angeles agents have had several occasions to talk with [] was involved with [] and after his arrest, immediately left Europe and came to the United States where he was subsequently arrested and has since been cooperating with U.S. authorities. [] advised that he used to handle all of the accounts for [] their family members and several other LCN members and associates in the New York area. These individuals would front the money for [] to start a stock promotional scheme and during the course of manipulating the price of the stocks, [] would sell their undisclosed interest and return their investment along with a substantial profit. [] is currently serving a two year sentence in Lompoc Federal Correctional Institution and is cooperating with U.S. authorities in Las Vegas, Nevada. His cooperation however is extremely limited pursuant to his plea agreement.

[redacted] is or as been in daily contact with his business associates to manipulate the various penny stocks that they are promoting. These known associates are [redacted]
[redacted]
[redacted]

[redacted] (a broker at MERRITT SECURITIES, Calgary, British Colombia, Canada), [redacted] (currently in jail for stock fraud in Spain), [redacted] (currently in jail in France).

A Los Angeles confidential source revealed that [redacted] is the individual in charge of the group in Los Angeles and [redacted] is the individual responsible for the group in Newark, New Jersey. [redacted] has dealings with [redacted] and [redacted] in connection with the promotion of SHABU GOLD MINES or CANADIAN EAGLE STOCK. [redacted] claims he controls [redacted] and investigation has determined that [redacted] has placed substantial sums of money into the CANADIAN EAGLE CO. Investigation further reveals that when [redacted] was arrested by Federal authorities in the United States, [redacted] posted \$100,000 for his bond.

HARRY LEONARD is the godfather for [redacted] son and [redacted] repeatedly boasts that he has "wise guy" connections. Through source information and investigation, Los Angeles has determined that [redacted] has used his LCN connections to produce a movie made in Vancouver, Canada, entitled "Flesh Gordon Meets The Cosmic Cheerleaders." [redacted] obtained a Nevada shell company and subsequently changed its name to FILM VEST INTERNATIONAL. A review of the stock transfer records indicates that [redacted] owned 100 percent of the shares of the company before it started trading.

b6
b7c

Memorandum



To : File (163A-BL-376)

Date 3/27/95

From :
LEGAL ATTACHE

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 08-15-2011 BY 60324 UC BAW/STP/STW

Subject: UNSUBS; DBA UNICORN
DEVELOPMENT CORPORATION;
FPC-GCM
OO: BRUSSELS

On 3/24/95, Brussels was contact by Los Angeles SA
 who advised that he was the case agent in Los Angeles in this matter.

He acknowledged the mishandling in LA of instant matter and that it had been reopened as a 272 matter and that he would be submitting a teletype shortly.

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b7C

He indicated that Canadian National IRVING KOTT (163A-BL-657) was the individual who was behind UNICORN and that KOTT had a "boiler room" operation in The Netherlands which was run by one also a Canadian national, born indicated that KOTT had similar boiler room operations in other European cities and that they had all been raided recently, all except the one located in The Netherlands.

These boiler room operations were affiliated with a firm called MERRIT INVESTMENTS.

advised that he had never received the following communications which were submitted by BRUSSELS. Tel dated 10/3/94, airtel dated 6/20/94, and BU letter with enclosure dated 8/23/94.

These documents are to be located and submitted to in Los Angeles.

On receipt of teletype, a review of both the KOTT and UNICORN files is to be conducted in order to formulate a plan for further investigative activity in the BENELUX.

② - Brussels

(1 - 163A-BL-376)

① - 163A-BL-657)

ROL:tjh

(2) *KS*

163A-BL-657-17

INDEXED *Raw*
SERIALIZED *KS*
FILED *KS*

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ X AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 4/5/95

ALL INFORMATION CONTAINED

HEREIN IS UNCLASSIFIED

DATE 08-25-2011 BY 60324 UC BAW/STP/STW

TO : DIRECTOR FBI
 ATTN: CID, WCCS

FROM : LEGAT, BRUSSELS (163A-BL-376) (C)

SUBJECT : UNSUBS;
 DBA UNICORN DEVELOPMENT CORPORATION;
 FPC - GCM;
 OO: BL

b6
 b7C
 b7D

Re BL tel 2/6/95 and LA tel call 3/24/95 and LA tel 3/27/95, all captioned as above; and BL tel dated 1/12/95 captioned, [REDACTED] IRVING KOTT; UNSUB (S); FRAUDULENT PURCHASE OF COMPUTER INTEGRATED MODULAR MANUFACTURING (CIMM) INCORPORATE STOCK; FPC - GCM; FBW - INTERNATIONAL; OO: BRUSSELS" (163A-BL-657) (copy to Los Angeles).

Enclosed for Los Angeles are copies of Brussels tel 10/3/94, airtel 6/20/94 and BU let (with enclosure) dated 8/23/94.

Also enclosed is a copy of BU airtel dated 2/15/95 with enclosure.

Enclosed also is a copy of an [REDACTED] document dated 3/6/95 regarding IRVING KOTT. This document was obtained from the [REDACTED] liaison officer at the [REDACTED] and relates to Brussels file, [REDACTED] IRVING KOTT etc., mentioned above.

7 - Bureau
 (2 - CID, WCCS)
 (1 - CID, IRB, IRU 1)
 (2 - Legat Ottawa (Info) - IN ATTACHED SEALED ENVELOPE
 (2 - Albany (Info) - IN ATTACHED SEALED ENVELOPE
 2 - Los Angeles (Encs. 5) - direct via DHL
 2 - Brussels (1 - 163A-BL-376) (1 - 163A-BL-657)
 ROL:pmw (11)

Approved: _____ Transmitted _____ (Number) (Time) Per _____

163A-BL-657-18

BL 163A-BL-376

These materials are being submitted to Los Angeles to provide LA with all of the relevant materials available here on the history of captioned company and the ubiquitous IRVING KOTT, the latter who appears to be involved in captioned company.

Brussels is closing 163A-BL-376 case in this matter and reopening under Los Angeles' file 272B-LA-181527.

It is requested that Brussels be kept advised of any pertinent developments in captioned case.

163A-BL-657-19

SEARCHED	INDEXED
SERIALIZED	FILED

APR 24 1995

LEGAT — BRUSSELS

6

PAGE TWO DE FBIAL 0001 UNCLAS E F T O

BT

#0001

NNNN

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATIONMEMORANDUM

DATE: 1/26/90

ALL FBI INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 08-15-2011 BY 60324 UC BAW/STP/STW

TO : ADIC, NEW YORK (196B-NY-185068)

FROM : SA JAMES T. WALSH (C-21) (NRRA)

SUBJECT: IRVING KOTT;
ET AL;
MISCELLANEOUS INFORMATION
CONCERNING

On 1/9/89, STU [] Investigator, SECURITIES AND EXCHANGE COMMISSION (SEC), Enforcement Division, Washington, D.C., telephone [] recontacted the writer and provided the following information obtained from investigation and other sources.

[] advised that a company known as CONVOY CAPITAL, INC. (or possibly CONVOY CAPITAL, LTD.) (hereafter referred to as CONVOY) currently trades on the Vancouver B.C. Stock Exchange. CONVOY was formally known as WESTERN ALLENBEE OIL AND GAS. CONVOY recently acquired a company known as COMMUNICATIONS CORP. OF AMERICA (CA) which is engaged in the business of setting up a telephone credit card system that could be sold by charities. [] has heard that people associated with IRVING KOTT, the well known Canadian convicted stock swindler, are associated with CONVOY CAPITAL. [] noted that CONVOY also put money into a company known as SIMM, INC. located in Troy, New York. SIMM, INC. was previously an Initial Public Offering (IPO) of stock out of GREENTREE SECURITIES, New York, New York (which KOTT was known to be associated with through his []). [] advised that an affiliated company, SIMM U.K., LTD. prepared a draft for an underwriting in the United Kingdom. The document reflected that a merchant's bank in Amsterdam would be a market maker for the stock once it started trading. (Because of his ties to Amsterdam, [] believes that KOTT may be involved in SIMM U.K., LTD.)

JTW/vgl
(1)

SEARCHED	INDEXED
SERIALIZED	FILED
APR - 4 1995	
LEGAT - BRUSSELS	

5/14/95
12:00pm
STW/etx

16-311-1361-657-20

196B-NY-185068

[] also heard that IRVING KOTT controls a brokerage firm in Luxembourg, known as PETRUSSE SECURITIES. This firm is run by LEO ARI FROM, listed as an Israeli citizen. FROM has a prior criminal conviction in Germany. [] an associate of IRVING KOTT also works out of PETRUSSE SECURITIES. [] received information from one source that over the Christmas, 1989 holidays there was a major meeting of con-men in Israel, attended by IRVING KOTT, and []

[] also pointed out that [] believed to have ties to IRVING KOTT, has been the President of CONVOY since 2/27/89. In December, 1988, [] had a company in Randen, Quebec, Canada, known as NEALMAC FINANCIAL. Prior to that, [] worked for twenty years for TORONTO DOMINION BANK. NEALMAC FINANCIAL borrowed \$2,000,000 from the AMRO BANK in Luxembourg for six years at the rate of prime + 3/4. The proceeds were used to buy debentures in CONVOY, which can be converted to stock. [] advised that some of the proceeds of the loan eventually went to SIMM, INC. and CCA).

[] advised that it is well known that IRVING KOTT did business with the AMRO BANK. [] had a source who heard that someone employed by the AMRO BANK had gotten fired because of his dealings with IRVING KOTT. That individual (not identified) subsequently went to work for PETRUSSE SECURITIES in Luxembourg.

[] advised that IRVING KOTT has two prior convictions in Canada for Securities Fraud. He reportedly has close ties to Organized Crime and the "CATRONI" Organized Crime family in Montreal.

[] has also received information to the effect that a (First Name Unknown (FNU)) [] is currently under investigation by the "Serious Fraud Squad" in the United Kingdom in connection with an investigation of an entity known as EAGLE TRUST. [] advised that as a result of a merger, (FNU) [] recently took control of IRIQUOIS INDUSTRIES, a company whose stock is traded on the New York Stock Exchange (NYSE).

1968-NY-185068

[redacted] has reportedly been taking a substantial amount of money out of IRIQUOIS INDUSTRIES. [redacted] has information that [redacted] will exchange his shares of IRIQUOIS INDUSTRIES for shares of VERIT INDUSTRIES, a company whose stock is thinly traded on the American Stock Exchange (AMEX). [redacted] advised that [redacted] is a major shareholder of VERIT INDUSTRIES. [redacted] is considered the right-hand man of IRVING KOTT. [redacted] reportedly has homes in Florida, Malaga, Spain, and New York, New York.

[redacted] believes that IRVING KOTT may be involved in this deal also.

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FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1347683-0

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Airtel

Unclas

10/5/84

Director, FBI

ADIC, New York

DE VOE - HOLBEIN INTERNATIONAL INC., N.V.
FBW; MF;
FOREIGN POLICE COOPERATION
OO: NY

Enclosed for New York is a letter dated 9/28/84 from the [redacted] Washington, D.C. and its enclosures. This letter sets out the suspicions of the [redacted] that caption corporation and some or all of the associates of this company are involved in a major stock swindle, which is, in part, being conducted in the United States.

A search of FBIHQ indices is being conducted and will be forwarded to New York as soon as available.

It is noted that the Securities and Exchange Commission has also been apprised of this information. It is, therefore, recommended that liaison be established with them prior to undertaking any significant investigation. New York is requested to conduct any investigation which it deems appropriate. Any investigation conducted should be reported by LHM in accordance with MIOG, Part II, Section 163-6 and sent to the attention of the Fugitive/General Government Crimes Unit, for dissemination to interested foreign governments.

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MAILED 4
OCT 11 1984
FBI - Mr.
FBI - EOE

RHW:hsc (5)

DE-112

163-54507-2

16 OCT 10 1984

Exec AD Adm. _____
Exec AD Inv. _____
Exec AD LES _____
Asst. Dir.:
Adm. Servs. _____
Crim. Inv. _____
Ident. _____
Insp. _____
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Legal Coun. _____
Off. Cong. &
Public Affs. _____
Rec. Mgnt. _____
Tech. Servs. _____
Training _____

Telephone Rm. _____
Director's Sec'y _____

MAIL ROOM

1985

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

AIRTEL

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 09-15-2011 BY 60324 UC BAW/STP/STW

TO : DIRECTOR, FBI
(ATTN: THE FUGITIVE/GENERAL GOVERNMENT CRIMES UNIT)

FROM: ADIC, NEW YORK (163A-7226) (C) (C-1)

SUBJECT: DE VOE-HOLBEIN INTERNATIONAL INC., N. V.;
FBW;
MAIL FRAUD;
FOREIGN POLICE COOPERATION
(OO:NY)

ReBuairtel to NY, dated 10/5/84.

Enclosed for the Bureau is the original and three copies of an LHM regarding the NYO handling of captioned matter. Enclosed for Salt Lake City is a copy of referenced airtel along with enclosures as well as a copy of above mentioned LHM.

A search of the NY indices revealed that the main subject in the captioned matter was a subject of a Salt Lake City fraud by wire and bank fraud and embezzlement investigation.

At this time the NYO is conducting no further investigation and is considering this matter closed.

LEAD

SALT LAKE CITY

AT SALT LAKE CITY, UTAH. Search indices for names of subjects listed in the referenced airtel and conduct any investigation, which is deemed appropriate. Any investigation conducted should be reported by LHM in accordance with MIOG, Part II, Section 163-6, and sent to the attention of the FUGITIVE/GENERAL GOVERNMENT CRIMES UNIT, for dissemination to interested foreign governments.

1cc4/encl-5064

②-Bureau (Encls. 4)
2-Salt Lake City (29-1410) (Encls
1-New York

JJR:baw
(5)

13 JAN 24 1985
3/6

CC TO
RR 3/10/89

APPROVE attached LHM for
dissemination to RCMP

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

New York, New York

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 09-15-2011 BY 60324 UC BAW/STP/STW

NOV 27 1984

DE VOE-HOLBEIN
INTERNATIONAL INCORPORATED
(Fraud By Wire;
Mail Fraud;
Foreign Police Cooperation)

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This investigation was initiated upon receipt of a letter dated September 28, 1984, from the [redacted] Liason Office in Washington, D.C., which outlined their suspicions of how DE VOE-HOLBEIN INTERNATIONAL, INCORPORATED (DVHII), and its associates were involved in a major stock swindle.

Investigation by the New York Office of the FEDERAL BUREAU OF INVESTIGATION (FBI) has determined that one of the main subjects, IRVING KOTT, was also a cosubject in a similar investigation that was handled by the Salt Lake City Division of the FBI.

On November 15, 1984, [redacted] of the UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC), Washington, D.C., advised that the SEC has been informed of the RCMP's investigation concerning the captioned matter and that his office has determined that there are few, if any, victims located within the United States. Therefore, the SEC has no immediate plans of investigating any further the activities of DVHII or KOTT.

In light of the above, the New York Office of the FBI is conducting no further investigation into this matter and is therefore considering this case closed.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

163-54507-3

Airtel

Unclas

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 09-01-2011 BY 60324 UC BAW/STP/STW
11/14/84

Director, FBI

ADIC, New York

DEVOR - HOLBEIN INTERNATIONAL, INC., N.V.

FBW; MF; FPC

OO: NY

Referenced Buairtel dated 10/5/84 captioned as above.

All names in referenced communication were searched through the general indices at FBIHQ, with the following results:

Bufile 196-1459 is New York case captioned, Irving Kott, Vancouver, B.C., et al; FBW; OO: SU, New York file 29-16057.

Bufile 62-0-79729 is a memo from C. W. Bates dated 2/3/72 which indicates that Mr. Bates was contacted by a friend from Ernst and Ernst, Cleveland, Ohio. Apparently, Ernst and Ernst was entering into a business relationship with Belgium Standard Ltd., of Canada which was chaired by Irving Kott. Ernst and Ernst was requesting public source documents about Kott or the company and they were informed to inquiry in Canada as that is where Kott apparently did business.

Bufile 163-22309 is a FPC matter handled by New York under NY 163-2487 captioned Irving Kott; Stock Fraud-FPC.

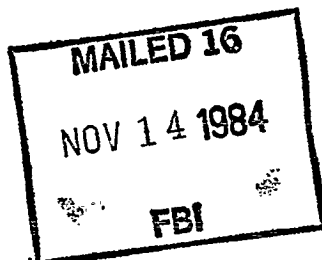
Bufile 163-38045 is a FPC matter handled by New York under NY 163-4890 captioned Onyx Investments, Ltd.; Irving Kott; FPC; OO: NY.

Bufile 87-133642 is an ITSP matter investigated by New York under NY 87-74043 captioned Irving Kott; et al; ITSP; OO: NY.

Bufile 87-144362 captioned Continental Financial Services, Inc., Coral Gables, Florida; ITSP; OO: DL, Dallas file 87-20636, does not appear to be related to current investigation.

Exec AD Adm. _____
Exec AD Inv. _____
Exec AD LES _____
Asst. Dir.:
Adm. Servs. _____
Crim. Inv. _____
Ident. _____
Insp. _____
Intell. _____
Lab. _____
Legal Coun. _____
Off. Cong. & Public Affs. _____
Rec. Mgnt. _____
Tech. Servs. _____
Training _____
Telephone Rm. _____
Director's Sec'y _____

1 - Mr. []
1 - FOF
RHW:MSC (5)



7 NOV 13 1984

Airtel to SAC, New York

Re: DEVOE - HOLBEIN INTERNATIONAL, INC., N.V.

Bufile 87-154742 is captioned [REDACTED]
aka; dba Continental Financial Services, Ypsilanti, Michigan;
ITSP; OO: Newark, NK file 87-26799. This does appear to relate
to current investigation.

Bufile 87-144354 is captioned [REDACTED]
dba Continental Financial Services, Inc., Witchita, Kansas;
ITSP; OO: Kansas City, KC file number 87-31047. This does not
appear to relate to current investigation.

Bufile 87-146604 is captioned [REDACTED], et al;
FBW; OO: Atlanta, AT file 196-81. This investigation mentions an
unspecified Continental Financial Service but does not appear to
relate to current investigation.

Because of the non-specific identification on many of
the other subjects it could not be determined if there were any
references; however, all other names were negative in investigations
relating to financial crimes matters.

Leads are being left to the discretion of New York.

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FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☒ XX AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 1/21/85

TO: DIRECTOR, FBI
 (ATTN: FUGITIVE/GENERAL GOVERNMENT CRIMES UNIT)

FROM: SAC, SALT LAKE CITY (29A-1410) (C)

DE ~~VOE-HOLBEIN INTERNATIONAL, INC., N.V.;~~

FBW; MF; FOREIGN POLICE COOPERATION
 (00:NY)

ALL INFORMATION CONTAINED
 HEREIN IS UNCLASSIFIED
 DATE 09-01-2011 BY 60324 UC BAW/STP/STW

ReNYairtel to FBIHQ, dated 11/27/84.

Enclosed for FBIHQ is the original and five copies of an LHM regarding the Salt Lake City Division's handling of a previous matter captioned as follows:

[redacted] - Calgary, Alberta, Canada;
 IRVING KOTT, Vancouver, British Columbia, Canada; [redacted]
 Vancouver, British Columbia, Canada, dba FARRAH RESOURCES
 LTD.; FUTURA ENERGY AND RESOURCES LTD.; LINK OIL AND GAS
 LTD.; [redacted] Salt Lake City, Utah; [redacted]
 Salt Lake City, Utah, dba BENGAL CHEMICAL AND RESEARCH
 CORPORATION; WREN BROTHERS; FARM LAND INC.; FBW; BF & E;
 (00: Salt Lake City). "

REQUEST OF FBIHQ

FBIHQ is requested to furnish two copies of the enclosed LHM to Legat Ottawa.

For information of FBIHQ, the above-captioned matter was investigated by the Salt Lake City Division

- ③ - Bureau (Enc. 6) ENCLOSURE
 (1 - Liaison Unit, Intelligence Division)

1 - SU

RSH:clc

(4) ICCAT, LHM SOG

3cc LHM by 0-4 to [redacted]

APPROVE attached LHM for
 dissemination to RCMP

1 FEB 4 1985

FUG. SUP.

Approved: _____

Transmitted: _____

Per _____

GC TO [redacted] (Number)

(Time)

RR 3/16/85

Jun 02 1997

ANS BY [redacted]

★ U.S. Government Printing Office: 19

MAY 17 1985

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SU 29A-1410

in 1980, in the liaison capacity, with the [redacted]
[redacted] Search warrants were executed by the Salt
Lake City Division, and the seized evidence was held for
evidentiary purposes. Local prosecution was deferred to
[redacted] Since prosecution was never
initiated by the Canadians, the seized evidence was returned
to the attorneys of the subject.

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The referenced New York City airtel, and the
[redacted] of information, appears to represent
a separate criminal scheme being employed by subject, IRVING
KOTT, and his accomplices. It does not appear to be an ~~on~~
~~all~~ going scheme as was investigated by the Salt Lake City
Division in 1980.

Information concerning the present scheme of
KOTT has been referred to the appropriate law enforcement
agencies, and to Agents of the FBI engaged in white collar
crime. If evidence of the scheme being perpetrated in
the Salt Lake City Division is revealed, the appropriate
investigation will be initiated.

However, in the absence of evidence of this scheme
being perpetrated in the Salt Lake City Division, this
matter is being placed in a closed status.



U.S. Department of Justice

Federal Bureau of Investigation

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 09-15-2011 BY 60324 UC BAW/STP/STW

Salt Lake City, Utah

January 21, 1985

DE VOE-HOLBEIN INTERNATIONAL, INC., N.V.

On January 23, 1980, [redacted]
[redacted] Vancouver, British Columbia,
Canada, requested investigation by the Salt Lake City Office
of the FBI concerning possible illegal stock fraud schemes
being perpetrated upon the VANCOUVER STOCK EXCHANGE.

Additional possible violations of the same scheme
were contemplated as being perpetrated in Utah, Texas,
Colorado, and New York City.

On January 30, 1980, a conference was held in
Salt Lake City, Utah, between [redacted] Assistant
United States Attorney (AUSA) [redacted] and Agents
of the FBI.

It was revealed at this conference that since
May, 1979, the [redacted] has conducted a technical surveillance
centering around an alleged fraud involving the VANCOUVER
STOCK EXCHANGE. The investigation by the [redacted] uncovered
fraud, theft, false affidavits, secret commissions, and
false statements, which appeared to branch out into the
United States with particular concentration on the activities
of [redacted] of Salt Lake City, Utah.

The [redacted] were promoting an invention
known as the "sonic tool," representing that the tool could
extract oil from shell rock.

The [redacted] IRVING
KOTT, and [redacted] as responsible for filing a prospectus,
in the name of FUTURA ENERGY AND RESOURCES LTD., with the
VANCOUVER STOCK EXCHANGE claiming the proceeds of the underwriting
were to be used for research and development of the "sonic
tool."

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143-54507-5

143-54507-5

DE VOE-HOLBEIN INTERNATIONAL, INC., N.V.

The [REDACTED]
[REDACTED]

[REDACTED] It was alleged that the principals planned to purchase the underwriting at a deflated price manufactured by them, take the price to as high as \$4 per share, and sell stock and realize substantial profits. It was reported that the Canadian subjects had a nominee company known as NAPIER DEVELOPMENT, LTD., holding \$750,000 escrowed shares of FUTURA stock.

One [REDACTED], attorney from New York City, was the Canadians' contact for manipulating the price of FUTURA stock in Europe.

On March 6, 1980, four search warrants were executed in Utah based on an affidavit of the FBI, Salt Lake City Division, and evidence of fraud by wire was retrieved from the residence of [REDACTED] Provo, Utah; the residences of [REDACTED] and the office and business building of the [REDACTED] all in Salt Lake City.

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Simultaneously the [REDACTED] caused the execution of [REDACTED] to locate evidence of fraud.

The FBI in Salt Lake City, Utah, conducted subsequent investigation to the search warrant consisting of interviews of additional accomplices and witnesses.

The seized evidence was maintained by the Salt Lake City Division of the FBI until July 11, 1984, when it was returned to [REDACTED] Attorney-at-Law, representing the [REDACTED]

The evidence was returned pursuant to a letter received from [REDACTED]
[REDACTED]

[REDACTED] indicated in his letter that the evidence in possession of the FBI was no longer needed and could be returned to the appropriate

DE VOE-HOLBEIN INTERNATIONAL, INC. N.V.

owners. Since all investigation had been completed, the matter was placed on a closed status by the Salt Lake City Division of the FBI.

The [redacted], by letter dated September 28, 1984, referred to FBI and other law enforcement agencies, their suspicions concerning an additional fraud being perpetrated by IRVING KOTT and others involving DE VOE-HOLBEIN INTERNATIONAL, INC., N.W. This information has been disseminated to the appropriate law enforcement agencies in the state of Utah. To date, no evidence has been revealed indicating that this alleged fraud has been committed in Utah.

Upon receipt of evidence indicating the commission of a fraud, the appropriate investigation will be initiated by the FBI.

b7D

157-17

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 09-15-2011 BY 60324 UC BAW/STP/STW

July 1, 1993

BY LIAISON



RE: KOTT, IRVING (B: OCT. 12, 1930)
HARISTON CORPORATION "ET AL"
SECURITIES FRAUD
93WLO-1C-1126

Dear Mr.

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Reference is made to your letter dated April 23, 1993,
concerning captioned matter.

A search of the FBIHQ Identification indices, NCIC and FBIHQ
Central Records revealed no arrest warrants valid for Irving Kott in
the United States.

Sincerely yours,

Inspector in Charge

By: Unit Chief
Foreign Liaison I
Office of Liaison and
International Affairs

100-5401-7

Dep. Dir. _____
ADD Adm. _____
ADD Inv. _____
Asst. Dir.:
Adm. Servs. _____
Crim. Inv. _____
Ident. _____
Insp. _____
Intell. _____
Lab. _____
Legal Coun. _____
Rec. Mgnt. _____
Tech. Servs. _____
Training _____
Cong. Affs. Off. _____
Off. of EEO _____
Off. Liaison &
Int. Affs. _____
Off. of Public Affs. _____
Telephone Rm. _____
Director's Sec'y _____

MAIL ROOM ☒

origin

hand carried to
Return to Room 9458

Memorandum



To : SAC, BOSTON (196A-BS-52629) (C)

Date 10/26/90

From : SA [REDACTED]

Subject : IRVING KOTT. AKA

[REDACTED]
FBW (B)
OO: BOSTON

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A review of captioned casefile reflects no further activity on the part of KOTT and no prosecutable case within the Boston Division.

It is requested this matter be closed administratively.

① - Boston (196A-BS-52629)
JJB/mmh/m
(1)

1*
10/26/90

196A-BS-52629-5

SEARCHED

SERIALIZED

INDEXED

FILED

J. B. [Signature]

File - Serial Charge Out
FD-5 (Rev. 6-17-70)

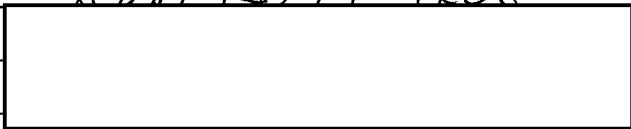
File 196A-B5-52629 Date _____
Class. Case No. Last Serial

☐ Pending

☐ Closed

Serial No. Description of Serial Date Charged

1 CHA Inning 3rd 1st
KH Kothara



4-175-1-20-70-7-257

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RECHARGE

Date _____

To _____ From _____

Initials of Clerk {

Date {

Date charged _____

Employee _____

Location _____

FEDERAL BUREAU OF INVESTIGATION
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FOI/PA# 1347683-0

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INBOX.1 (#1299)

TO: MM @ EMT-2

FROM: PH @ EMH2

SUBJECT: 245/0004 ROUTINE

DATE: 2 SEP 87 21:12:31 GMT

CC:

TEXT:
VZCZCPH004

RR MM

DE PH #0004 2452103

ZNR UUUUU

R 021950Z SEP 87

FM PHILADELPHIA (196-NEW) (NSRA)

TO MIAMI (ROUTINE)

BT

U N C L A S

*66-3357
8/20/87*
[REDACTED] GERALD JACALOW, DBA UNITED CAPITOL GROUP, FBW-MF;
OO: PHILADELPHIA

REFERENCE PHILADELPHIA TELEPHONE CALL TO SPECIAL AGENT (SA)

[REDACTED] MIAMI DIVISION, SEPTEMBER 1, 1987.

[REDACTED] AMERICAN BIO
MATERIALS CORPORATION, 105 MORGAN DRIVE, PLAINSBORO, NEW JERSEY,
LEARNED THAT [REDACTED] AND GERALD JACALOW HAVE RECENTLY FORMED
A NEW PENNSYLVANIA CORPORATION DOING BUSINESS AS (DBA) UNITED
CAPITOL GROUP (UCG). UCG IS TO BE USED BY [REDACTED] AND JACALOW AS
A FRONT FOR STOCK MANIPULATIONS AND VENTURE CAPITOL SCHEMES.

[REDACTED] ADVISED JACALOW AND [REDACTED] FORMERLY OPERATED

AMERICAN CONSOLIDATED CAPITAL AT 1291 EAST NEWPORT CENTER DRIVE,

OPEN (KEOPEN)
CLASS 196 ALPHA A
ORIGIN PH DATE 9/3/87

196B-3101-1
ra ra

SEP 02 1987

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ADH

4/1/87

10/11/87

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*North
Man*

DEARFIELD BEACH, FLORIDA. [REDACTED] AND JACALOW ALSO OPERATE
EQUITY FUND VENTURE, INCORPORATED, GREEN TREE BROKERAGE,
INCORPORATED, AND AMERICAN ASSURANCE COMPANY, FROM THE SAME
OFFICES IN DEERFIELD BEACH, FLORIDA. [REDACTED] OF MIAMI,
FLORIDA, IS THEIR ATTORNEY. [REDACTED] STATED JACALOW WAS RECENTLY
OUT OF THE COUNTRY AND [REDACTED] MOVED SEVERAL MILLION DOLLARS OF
SECURITIES INTO HIS OWN NAME. [REDACTED] ALLEGEDLY FORGED UNISSUED
STOCK CERTIFICATES OF A FIRM DOING BUSINESS AS SEARCH,
INCORPORATED, AND TRANSFERRED THE FUNDS INTO AN ASSET MANAGEMENT
ACCOUNT AT THE BROKERAGE FIRM OF [REDACTED] INCORPORATED.
IN ADDITION, [REDACTED] HAS PURCHASED 200,000 SHARES OF HIGH PEAK,
INCORPORATED, WHICH OWNS SFS, INCORPORATED, A TRUCKING COMPANY
OPERATED BY [REDACTED] IN PRINCETON,
NEW JERSEY. THE FUNDS TO PURCHASE SFS, INCORPORATED, CAME FROM
THE BROKERAGE ACCOUNT OF AMERICAN CONSOLIDATED CAPITAL. [REDACTED]
WAS PRESENT WHEN LIACONA TELEPHONED FORMER FLORIDA GOVERNOR
CLAUDE KIRK AND OFFERED KIRK \$150,000 TO INTERVENE ON HIS BEHALF
TO LIMIT THE CURRENT INVESTIGATION OF SEC EXCHANGE COMMISSION.
[REDACTED] ADVISED IRVING KOTT, A NOTORIOUS STOCK MANIPULATOR
CURRENTLY WANTED BY THE DUTCH AUTHORITIES, IS ALSO INVOLVED WITH

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[REDACTED] AND JACALOW. KOTT IS CURRENTLY LIVING IN MONTREAL,
CANADA. [REDACTED] ADVISED THAT KOTT, [REDACTED] AND JACALOW ARE
DEVISING A SCHEME TO SELL \$20 MILLION OF AMERICAN ASSURANCE
COMPANY PREFERRED STOCK IN EUROPE. AMERICAN ASSURANCE COMPANY IS
NOT A LICENSED INSURANCE COMPANY AND ITS STOCK HAS NO REAL VALUE
OTHER THAN WHAT IS ARTIFICIALLY GENERATED BY [REDACTED] AND JACALOW.

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#0004

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Memorandum



To : SAC, MIAMI (196B-3101) (P)

Date 9/4/87

From : SA [redacted] (WCC-2)

Subject : [redacted] Aka;
GERALD JACALOW;
DBA, UNITED CAPITOL GROUP;
Philadelphia, PA;
AMERICAN CONSOLIDATED CAPITOL;
EQUITY FUND VENTURE, INC.;
GREENTREE BROKERAGE, INC.;
AMERICAN ASSURANCE COMPANY;
1191 EAST NEWPORT CENTER DRIVE,
Deerfield Beach, FL;
FBW(B)-MF
OO:PH

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During WCC Conference, FBI, Miami, on 7/28/87, [redacted]
[redacted] Chief, SEC, Miami [redacted] advised SEC involved in
investigation of [redacted] Dba, R.H. STEWART & CO., Inc.,
(MM 87D-42893) (SA [redacted] WCC-1).

On 8/4/87, SA [redacted] Newtown Square RA, PH [redacted]
[redacted] contacted SA [redacted] to advise a Source is close to [redacted]
and he was initiating an investigation involving [redacted] and,
GERALD JACALOW, of PH, and one, IRVING KOTT, a notorious stock
manipulator currently sought by Dutch authorities (INTERPOL).
[redacted] and JACALOW have opened AMERICAN CAPITAL
CONSULTANTS, INC., in Deerfield Beach-Boca Raton area, and are
working with local attorney [redacted] Miami, who has set up
companies for [redacted] was advised of pending indictment
status re [redacted] in connection with FBI/SEC case involving
RH STEWART & CO., another stock manipulation.

[redacted] Investigator, Florida Comptroller's Office,
Division of Banking & Securities, Ft. Lauderdale, [redacted] advised
re [redacted] & JACALOW, 8/5/87.

SA [redacted] WCC-1 advised re captioned matter. During
WCC meeting 8/25/87, [redacted] SEC, advised [redacted] SEC,
would handle FBI-SEC liaison regarding new case on [redacted]

2 - MM (1 - MM 196B-3101) *OK*
(1 - MM 87D-42893) (SA [redacted])

KFP/
(2)

196B-3101-5

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 4 1987	
[redacted]	[redacted]

KA *OK* *KA*

On 8/31/87, SA [] PH, advised his source had traveled to Deerfield Beach, FL, several days earlier, and met with [] Source advised that while with [] made a call to former Governor CLAUDE KIRK (FLorida) and offered KIRK \$150,000 to get [] and the SEC off his back. SA [] advised.

PHTel to MM, 9/2/87, sets forth information indicating [] operating out of office at 1191 East Newport Center Drive, Deerfield. [] according to Source, has reportedly forged unissued stock certificates on SEARCH, INC. and transferred the stock to an asset management account at the brokerage firm of [] branch not known. [] also has \$200,000 in stock from HIGH PEAK, INC., which firm reportedly owns "SFS, INC.," a trucking firm owned by [] of Princeton, NJ. [] also reportedly plans to market \$20 million worth of AMERICAN ASSURANCE UNDERWRITING, Inc. preferred stock in Europe. AAU is unlicensed and its stock worthless.

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On 9/4/87, [] Chief, SEC, and [] Staff Attorney, SEC, [] Investigator, SEC, were notified of information as provided by Source (Protect Identity), to include information related to [] alleged telephone call to former Governor CLAUDE KIRK and an offer of \$150,000 to have KIRK get [] and SEC "off [] back." Mr. [] stated this information was interesting inasmuch as former Governor KIRK had telephoned his office and set up a tentative appointment with [] for 9/8/87 to "take [] to lunch," to discuss matters relating to the SEC. [] mention of SEC Staff Attorney [] name was also of great interest.

SA [] was on RDO on 9/4/87. It was suggested to Mr. [] that any meeting with [] be postponed until such time as SA [] could be apprised of instant situation. [] SEC, advised that appointment between [] and KIRK for 9/8 would be rescheduled for the following day if possible. AUSA [] Miami; SA [] SA [], PH advised. SA [] indicates his Source would be able to recontact or revisit [] in South Florida, following SEC meet with ex-Gov KIRK and wear wire, if desired.

NOTE: SA [] WCC-2 advised MM 196B-3073, entitled [] FBW(B), also has indication of former Gov. KIRK being paid \$5000 monthly, plus a car, by subject [] to assist [] meet Tallahassee political contacts to obtain an HMO license for []

196B-3101-6

SEARCHED INDEXED
SERIALIZED FILED

SEP 16 1987



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Memorandum



To : SAC, MIAMI (196B-3101) (P)

Date 11/20/87

From : SA [REDACTED] (WCC-2)

Subject :

JERALD JACOLOW;

[REDACTED]
DbA, ~~AMERICAN CAPITAL CONSULTANTS, INC.~~,
Deerfield Beach, FL;

JERALD JACOLOW;

[REDACTED] CPA;
DbA, ~~AMERICAN ASSURANCE UNDERWRITERS, INC.~~,
Deerfield Beach, FL;
JERALD JACOLOW;

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[REDACTED]
DbA, ~~AMERICAN CAPITAL HOLDING~~;
Deerfield Beach, FL;

[REDACTED]
DbA, ~~AAA TRANSFER CORP., Inc.~~,
Deerfield Beach, FL;

[REDACTED]
DbA, ~~SEARCH, INC.~~,
[REDACTED]

DbA, ~~DUAL EQUITY CORP.~~;
NY, NY;

[REDACTED]
PHILOMENA SCAMARDELLA;
DbA, ~~WAKEFIELD FINANCIAL, Inc.~~,
New York, NY;

[REDACTED]
DbA, ~~BRADSTREET SECURITIES, Inc.~~,
IRVING KOTT;

[REDACTED]
DbA, ~~GREENTREE SECURITIES, Inc.~~,
Deerfield Beach, FL;

[REDACTED] Attorney;
FBW(B)-MF-ITSP; SECURITIES FRAUD-CONSPIRACY
OO:MM

On 11/20/87 a strategy meeting in the captioned joint FBI/SEC investigation was held at SEC, Miami, involving AUSA [REDACTED] Staff Attorney, SEC, and [REDACTED] Investigator, SEC, with SA [REDACTED] who has conducted extensive

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in this matter, furnished the captioned subjects and businesses which have been, since 1984-85, involved in the fraudulent sale and manipulation of O-T-C "pink sheet" common stock. [redacted] advised that although 6-10 various stocks are involved, most sales involved AMERICAN ASSURANCE UNDERWRITERS (AAU) and SEARCH, INC. [redacted] stated AAU unregistered stock in excess of \$5 million was sold and, inasmuch as stock authorization in AAU has been increased from 250 million to 750 million shares, it is not known how much stock was sold; SEARCH, Inc., stock was fraudulent obtained and, while unregistered, sold by [redacted] amounting for over \$750,000. [redacted] first took AAU public in about 1984 while operating R.H. STEWART & Co., a broker-dealer put out of business by the SEC for various violations, which is also the subject of an FBI criminal investigation with indictment anticipates during early 1988 (SA [redacted]) [redacted] continued that [redacted] set up AMERICAN CAPITAL to act as the public relations firm to market AAU. AMERICAN CAPITAL is neither registered in Florida or by the SEC and [redacted] is enjoined from sale/operation of securities. [redacted] took in JERALD JACOLOW as a partner in AMERICAN CAPITAL and JACOLOW, a CPA by profession, was the Chief Financial Officer of AAU. [redacted] and JACOLOW were equals in the fraudulent operation of AAU/AMERICAN CAPITAL. [redacted] to sell AAU unregistered stock; neither are registered as brokers with SEC or FL [redacted] was previously registered while with [redacted] by was enjoined. [redacted] received \$375,000 in commissions, and [redacted] \$150,000, from the sale of AAU unregistered stock. [redacted] pointed out all persons mentioned have either been subpoenaed by SEC for affidavits or, upon appearing, at the direction of [redacted] NY attorney who has also represented all persons subpoenaed, ie: [redacted] etc., have taken the Fifth rather than testify. [redacted] stated [redacted] is due for affidavit today, 11/20/87, with attorney.

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[redacted] used the services of [redacted] Attorney, to conduct all legal documentation and incorporation for the captioned business set up by [redacted] also purchased AAU stock (violation). [redacted] was previously enjoined by the SEC in Philadelphia in an unrelated matter and is believed under IRS investigation at present. [redacted] is a target.

[redacted] then set up his own transfer agency, AAA TRANSFER, Inc., and hired [redacted] an old associate, to run it. [redacted] has been described [redacted] and [redacted] therefore placed his [redacted] in AAA TRANSFER, to operate the firm. Fraudulent financial statements regarding these firms were contrived by [redacted] house CPA at AMERICAN ASSURANCE.

[redacted] is believed to have forged the names of [redacted] of SEARCH, Inc., in a letter directing AAA TRANSFER to furnish [redacted] with SEARCH, Inc. stock. [redacted] then sold this stock profiting by \$750,000; which stock was unregistered. [redacted] due for subpoena in late 11/87, has advised this was a fraudulent stock transfer; however, [redacted] attorney is also believed to represent [redacted]

[redacted] was hired by [redacted] JACOLOW and then "purchased" 55% of BRADSTREET SECURITIES, a registered broker-dealer, from [redacted] for some \$250,000 and 100,000 shares of AAU. SEC investigation discloses the funds and stock came straight from [redacted] JACOLOW from AMERICAN CAPITAL, in order to enable them to control [redacted] [redacted] stated [redacted] did not sell to the public. [redacted] attorney, [redacted] Former Miami SEC Chief, has offered to provide [redacted] cooperation providing immunity is granted; AUSA [redacted] agreed to communicate with [redacted]

[redacted] Dba, DUAL EQUITY Corp., is a "shell" in New York, that records reflect purchased \$5.5 million in AAU stock. Records indicate this purchase was by "note," for the purpose of inflating the AAU financial statement and no funds actually changed hands.

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[redacted] stated that although [redacted] sold much of the AAU stock while working as unregistered brokers at AMERICAN CAPITAL, arrangements with WAKEFIELD FINANCIAL, a broker-dealer in NY, provided that all sales were made by WAKEFIELD. [redacted] stated no customers thus far contacted have ever heard of WAKEFIELD. This was merely a way to insulate [redacted] and others who were involved in the sale of unregistered securities while they were themselves unregistered, as was AMERICAN CAPITAL.

[redacted] advised he would compile a list of names & addresses of persons who have refused to provide affidavits to the SEC in furtherance of this investigation, as well as the names/addresses of their attorneys, in order that the FBI may begin contacted those persons.

It was noted that attorneys for [redacted] [redacted] Former SEC atty, Miami), JERALD JACOLOW [redacted] (Chicago), and [redacted] MM) have contacted SEC/FBI offering to cooperate for immunity. AUSA [redacted] stated [redacted] JACOLOW and [redacted] are clearly targets of the FBI criminal investigations and their attorneys will be so informed. Efforts to reach a plea agreement with [redacted] will continue; [redacted] in Chicago, will be contacted by AUSA [redacted] on 11/24/87; and [redacted] will be asked to make his client available to SEC/FBI for a proffer, with immunity okayed, during early 12/87.

Memorandum



To : SAC, MIAMI (196A-3193) (P)

Date 1/12/88

From : SA [redacted] (WCC-2)

Subject : [redacted] ET AL;
DBA, NADEL COMMUNICATIONS, INC.
FBW(A)-MF; ITSP-SECURITIES FRAUD-CONSPIRACY
OO:MM

[redacted]
JERALD JACOLOW; ET AL;
DBA, AMERICAN CAPITAL CONSULTANTS, INC.
DEERFIELD BEACH, FL
FBW(B)-SECURITIES FRAUD-CONSPIRACY
OO:MM (MM 196B-3101) (SA [redacted])

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During discussions with Staff Attorney [redacted] SEC, and AUSA [redacted] Miami, 1/11/88, it was determined. MM CW is targeted for SEC indictment relative to CW's involvement in HUGHES CAPITAL, Inc. investigation. (CW previously discussed his HUGHES involvement with SA [redacted] indicated desire to pursue and expand current SEC investigation re [redacted] in light of allegations made of [redacted] "network" of newsletters and broker-dealers involved in manipulation/marketing/touting of penny stocks.

On 1/12/88, this writer communicated with SA [redacted] PH, who advised SA [redacted], NK, is attempting to obtain "exclusive" use of PH CW [redacted] in connection with investigation of [redacted] DBA, FIRST JERSEY SECURITIES. SA [redacted] is to meet in Boca Raton with [redacted] (IRVING) during week of 1/12/88 and PH is attempting to lure IRVING KOTT to the U.S. for the purpose of executing an outstanding fraud warrant from the Netherlands/INTERPOL. [redacted] added that PH CW met with [redacted] during 12/87 and questioned [redacted] about feasibility of [redacted] taking one of CW's companies public and "networking" it through [redacted] newsletters & broker-dealers. PH CW is amenable to wearing a wire with regards to meetings with [redacted] however, FBI/PH is now having difficulty with FBI/NK regarding this CW based upon NEWARK's insistence of "exclusivity" in controlling CW. [redacted] advised MM will be forwarded teletypes and MM should consider alerting NK of OO:MM interest in continuing efforts of PH/CW in connection with OO:MM investigations.

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196B-3101-40

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 12 1988	
[redacted]	

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Source stated [] went to [] a convicted stock manipulator, to get [] to buy BRADSTREET CAPITAL. [] actually put in some \$100,000. as a loan to [] most of which were funds provided by [] did not repay the loan. [] was to provide "underwriting" and brought in a European firm called "FRIDGEMATIC" (phonetic) which resulted in \$15,000 to [] \$15,000 to [] [] finally demanded his money be returned from the "loan" to [] paid back about \$65,000 of funds owed to []

Source stated [] operates a business with his [] and sells "turnkey furniture/computer" operations to persons opening new brokerages for a fee of \$55,000.

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Source added [] two of the most infamous shell promoters, both operating out of Salt Lake City, Utah, are also involved in [] schemes. [] provide shells to [] which are "fronted" and taken public as penny stocks after being included in the newsletters and marketed through [] control of brokerage firms.

Source stated IRVING KOTT, a Canadian manipulator, who is believed to be barred from entering the U.S., is a partner of [] Source stated only yesterday, KOTT purchased BROOKS, WEINGER, Inc., Source stated the FBI should be familiar with [] inasmuch as the FBI arrested brokers in the New York area during 1987 for cocaine violations. Source stated [] has an office in the Barnett Bank Building, on State Road 441, in Boca Raton.

Source stated [] associates [] recently took control of yet another brokerage, ATWATER, WELLS, Inc.

Source added that all of the brokerages he names have offices located in the Fort Lauderdale-Coral Springs-Deerfield Beach- Delray Beach - Boca Raton areas.

Source stated (FNU) [] runs all of the newsletters for [] and that almost all of the stocks recommended in the newsletters are from "inside deals" with [] Occasionally [] will take a penny stock and include it.

Source stated that [] has an "in-house attorney," who is now frightened to death because of recent actions by the SEC, FBI and Florida State authorities. Source stated this attorney, whose name can be ascertained, would be easily "flipped."

Continuation of FD-302 of

COOPERATING WITNESS

On 12/18/87 Page 2

in profits. Source stated this "shell" company has no assets and has not even attempted to "mine" gold from sand.

[] Source listed a number of persons and businesses related to fraudulent penny stock operation:

GOODWAY INDUSTRIES, Philadelphia, PA, operated by [] who are among the largest media operators in the U.S.; who also operate cable television businesses and the magazine, "CABLE GUIDE," [] has some 2-3 televisions programs now broadcasting, on cable systems such as "LIFETIME," advertising his penny stock "specials."

STUART-JAMES, Inc., one of the nation's largest penny stock brokerages, operated by [] put in business inasmuch as he, [] is barred by the SEC. Source stated a review of STUART-JAMES will reveal some 30-40 stock issues in 1987 were [] controlled penny stock companies, almost all of which are completely without assets.

NASH, WEISS, Inc., and GRAYSTONE, NASH, Inc., operated by another [] who is known to the SEC and who has been barred by the SEC but maintains his SEC license; b6 b7C

MORGAN, GLADSTONE, Inc., set up by [] with an office in the same building as GREENTREE SECURITIES, in Boca Raton, and operated by [] and [] was a New York attorney. Former partner of the [] Source stated [] sold nothing but [] penny stocks and that [] and [] are excellent "targets" and persons who would "flip," to authorities.

FIRST SOUTHERN, Inc., recently KNIGHT-CROMWELL, Inc., run by [] associate []

BRADSTREET SECURITIES, Inc., operated by [] and [] (PH). Source stated [] initially operated [] but was moved and took over BRADSTREET to run sales there. [] lawyer is one, [] from Philadelphia, who brags of having leased aircraft to FBI, Philadelphia, used in FBI surveillance work;

JAMISON GROUP, Coral Springs, Florida, consisting of a group of young brokers which [] helped set up to sell his stocks.

Continuation of FD-302 of COOPERATING WITNESS, On 12/18/87, Page 4

Source stated the Government will encounter major obstacles in the event it is decided to initiate a criminal investigation in this matter. He cited legal representation by prominent law firms as one. He stated a failure to recognize the magnitude of the penny stock manipulation scheme, utilizing "insider deals" with brokerages and kickback/sweetheart deals with newsletter writers has resulted in many small brokerages being put out of business in Florida in the past year; however, little or no effect is seen in the scheme inasmuch as other brokerages and broker-dealers rush to take the place of the ones closed down.

Source cited an example of one firm, named "CROYSTICK," which was marketing a "stick" made from calves embryo in Europe, which was supposed to erase lines on the face and skin. He stated his wife tried some and found no result whatsoever; however, clinical writeups and "media hype" had resulted in laudatory articles being written. He stated [redacted] attended a seminar on [redacted] in the Orlando area [redacted] whose name is believed to [redacted] took a shell company and merged it with [redacted] and the right to market the product with a guaranteed multi-million fee to a [redacted] associate. Source stated he was uncertain whether [redacted] was ever taken public but would not be surprised to learn it had.

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Source stated his explanation of [redacted] "web" of penny stock frauds should explain why persons such as [redacted] and JACOLOW are "mid-management level" parties in this matter. Source stated that JACOLOW is quite unsophisticated in connection with securities but that JACOLOW would be one persons who would be able to link [redacted] with the entire scheme.

Source stated he was of the opinion that the Government was either unaware of the magnitude of this fraud or else the Government was unwilling to expend the funds and manpower necessary to tackle the "big picture;" content with putting various brokerages and broker-dealers out of commission instead. Source reiterated that removal of persons such as [redacted] had little effect on the entire fraud. Source offered to take a shell to [redacted] and take it through the entire fraud to illustrate the magnitude and efficiency of the network set up by [redacted]

FBI

TRANSMIT VIA:

☒ Teletype☐ Facsimile

PRECEDENCE:

☐ Immediate☒ Priority☐ Routine

CLASSIFICATION:

☐ TOP SECRET☐ SECRET☐ CONFIDENTIAL☐ UNCLAS E F T O☒ UNCLAS

Date 1/1/88

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FM NEWARK (196A-2695) (P) (PTRA)

TO DIRECTOR, FBI (PRIORITY)

PHILADELPHIA (PRIORITY)

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(ADMIN FBIHQ: [REDACTED] - FINANCIAL CRIMES)

(ATTN PH: SAC, PHILADELPHIA (PERSONAL ATTENTION))

[REDACTED] ET AL; DEA AMERICAN

BIOMATERIALS, INC., 105 MORGAN DRIVE, PLAINSBORO, NEW JERSEY

FOR THE INFORMATION OF THE BUREAU, ON 11/10/87 PHILADELPHIA

ADVISED NEWARK THAT SINCE AUGUST, 1987, [REDACTED]

[REDACTED] AND [REDACTED] ACCOUNTANT OF AMERICAN

BIOMATERIALS, INC. (ABI) HAD BEEN IN CONTACT WITH FBI/NEWARK

FBI. [REDACTED] WAS INTRODUCED TO THE PHILADELPHIA FBI BY A FORMER

ASSISTANT UNITED STATES ATTORNEY FROM THE EASTERN DISTRICT OF

FPH/RSW

1/1/88

Approved: _____

Transmitted

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(Number)

145P

(Time)

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TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☐ _____

FBI

PRECEDENCE:

☐ Immediate
☐ Priority
☒ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date _____

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^ PAGE TWO, NK 196A-2695, UNCLAS

PENNSYLVANIA WHO WAS AN ACQUAINTANCE OF A PHILADELPHIA SPECIAL AGENT. [] HAD REQUESTED TO MEET WITH SOMEONE TO ALLEVIATE HIS PROBLEMS CONCERNING AN INVESTIGATION INTO [] DEFRAUDING ART BY THE MIDDLESEX COUNTY, NEW JERSEY, PROSECUTOR'S OFFICE.

ON 12/7/87, PHILADELPHIA INTRODUCED [] TO NEWARK AGENT. AT THIS MEETING [] DISCUSSED THEIR DESIRE TO CO-OPERATE WITH THE GOVERNMENT CONCERNING THE MANIPULATION OF ABI STOCK AND TO HAVE THE CASE BEING INVESTIGATED BY THE MIDDLESEX COUNTY, NEW JERSEY, PROSECUTOR'S OFFICE HANDLED BY THE UNITED STATES ATTORNEY IN NEWARK, NEW JERSEY.

ON 12/11/87 AND THEREAFTER, NEWARK CONDUCTED EXTENSIVE INTERVIEWS OF [] TO ASCERTAIN HIS CRIMINAL INVOLVEMENT AND OF OTHERS CONNECTED WITH THE MANIPULATION OF ABI STOCK.

ON 12/22/87, NEWARK MET WITH PHILADELPHIA CONCERNING THE UTILIZATION OF [] AGAINST THE PRINCIPAL MANIPULATORS OF ABI STOCK.

INFORMATION OBTAINED FROM [] AND THE SECURITIES AND EXCHANGE COMMISSION REVEALS THAT ABI IS A NEW JERSEY BASED COMPANY THAT WENT "PUBLIC" IN MAY, 1985. ABI WAS UNDERWRITTEN BY

Approved: _____

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(Number)

(Time)

Per _____

U.S. GPO: 1987 - 581-4

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date _____

1 ^ PAGE THREE, NK 196A-2595, UNCLAS

2 GREENTREE SECURITIES, A BROKER/DEALER, WITH OTHER MARKET MAKERS.

3 IRVING COTT, A KNOWN STOCK MANIPULATOR, WITH HIDDEN OWNERSHIP
 4 INTERESTS IN GREENTREE SECURITIES WAS ONE OF THE PRINCIPAL
 5 ARCHITECTS OF THE MANIPULATION.

6 THE INITIAL UNDERWRITING CAME OUT AT \$1.00 PER SHARE AND COTT
 7 WHO CONTROLLED ALL OF THE 3 MILLION ISSUED SHARES WAS ABLE, WITH
 8 THE ASSISTANCE OF THE NEW YORK BROKERAGE HOUSES STEINBERG-LYMAN
 9 D.H. BLAIR, SHERWOOD SECURITIES AND OTHERS WAS ABLE TO RAISE THE
 10 PRICE OF ABI STOCK TO OVER \$10.00 PER SHARE. THE POTENTIAL FRAUD
 11 TO INVESTORS AMOUNTS UP TO 30 MILLION DOLLARS.

12 [] HAS ADVISED THAT THE "HYPE" PUT OUT BY HIMSELF AND THE
 13 OTHER PARTICIPANTS WAS BASED ON FICTITIOUS INFORMATION. THE
 14 CLAIMS THAT ABI WAS NEAR DEVELOPING A "BONE REPLACEMENT" MATERIAL
 15 WERE USED ONLY TO CREATE AN INTEREST IN THE STOCK BY THE INVESTING
 16 PUBLIC. [] HAS IDENTIFIED APPROXIMATELY 20 INDIVIDUALS WHO
 17 PARTICIPATED IN THE MANIPULATION OF ABI STOCK.

18 [] HAS ALSO IDENTIFIED A []
 19 INVOLVED WITH NOVA-TECH, A NEW JERSEY BASED COMPANY WHO WAS
 20 INVOLVED WITH THE ABI MANIPULATION. [] HAS RECENTLY
 21

Approved: _____ Transmitted _____ (Number) (Time) Per _____

U.S. GPO: 1987 - 1814

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
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FBI

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date _____

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1 ^ PAGE FOUR, NK-196A-2695, UNCLAS

2 APPROACHED [] REQUESTING [] TO OBTAIN COMPANIES WILLING TO
3 GO PUBLIC WITH [] AT SHERWOOD SECURITIES.

4 THE SECURITIES AND EXCHANGE COMMISSION (SEC) HAS STARTED A
5 CIVIL INVESTIGATION OF THE DRAMATIC PRICE INCREASE IN ABI STOCK.
6 TO DATE, THE SEC HAS NOT BEEN ABLE TO COMPLETE THEIR
7 INVESTIGATION.

8 BASED ON INFORMATION RECEIVED, THE SEC, [] AND OTHER
9 INVESTIGATIONS, NEWARK PROPOSES THE FOLLOWING:

10 1. TO IMMEDIATELY HAVE [] ENTER INTO PLEA
11 AGREEMENTS IN THE DISTRICT OF NEW JERSEY CONCERNING THEIR
12 INVOLVEMENT IN THE MANIPULATION OF ABI STOCK AND THE DEFRAUDING OF
13 THE INVESTORS OF ABI.

14 2. TO TARGET [] AGAINST IRVING COTT AND THE OTHER
15 SUBJECTS TO OBTAIN EVIDENCE NECESSARY FOR THE PROSECUTION OF THE
16 PRINCIPAL SUBJECTS CONCERNING THEIR ROLES IN THE MANIPULATION OF
17 ABI STOCK.

18 3. TO [] AGAINST GEORGE LEVINE AND OTHERS TO
19 OBTAIN EVIDENCE NECESSARY FOR A PROSECUTION CONCERNING A
20 MANIPULATION OF STOCK IN CONNECTION WITH SHERWOOD SECURITIES.

Approved: _____

Transmitted _____

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(Time)

Per _____

U.S. GPO: 1967 - 181-400

☐ Teletype
☐ Facsimile
☐

☐ Immediate
☐ Priority
☐ Routine

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date _____

^ PAGE FIVE, NK 196A-2695, UNCLAS

SAC, NEWARK HAS BEEN APPRISED OF THE FACTS IN THIS MATTER AND STRONGLY BELIEVES THAT NEWARK IS IN THE BEST POSITION TO OPERATE AND DIRECT [REDACTED] RESIDES IN NEW JERSEY, OPERATES HIS BUSINESS IN NEW JERSEY, HAS COMMITTED A VARIETY OF FEDERAL OFFENSES IN NEW JERSEY AND WILL PLEAD IN NEW JERSEY.

SAC, NEWARK FEELS THAT THE MANIPULATION OF ABI STOCK WHICH CAUSED INVESTORS TO LOSE MILLIONS OF DOLLARS FROM A NEW JERSEY BASED COMPANY TAKES PRIORITY IN THE UTILIZATION OF [REDACTED]

SAC, NEWARK IS UNAWARE OF THE "SPECIFICS" OUTLINED IN PHILADELPHIA GROUP II PROPOSAL. SAC, NEWARK WOULD ENTERTAIN THE UTILIZATION OF [] IN PHILADELPHIA GROUP II UCO AFTER HE HAS BEEN TASKED WITH ASSISTING THE NEWARK DIVISION WITH THE INVESTIGATION OF AMERICAN BIOMATERIALS, INC. STOCK MANIPULATIONS.

IN ADDITION, U.S. ATTORNEY SAMUEL ALITO, DISTRICT OF NEW JERSEY, HAS TAKEN A VERY STRONG INTEREST IN THIS MATTER AND HAS COMMITTED APPROPRIATE STAFF TO CO-ORDINATE A GRAND JURY INVESTIGATION OF ABI AND RELATED CRIMINAL INVESTIGATIONS.

87

Approved: _____ Transmitted _____ (Number) _____ (Time) _____

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REF ID: A66585

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PAGE 06

FEDERAL BUREAU OF INVESTIGATION

-1-

Date of transcription 4/13/88

[redacted] BRADSTREET CAPITAL, Inc., 1191 East Newport Center Drive, Deerfield Beach, FL, was contacted at the office of [redacted] Suite 502, 201 Alhambra Circle, Coral Gables, Florida, telephone [redacted] with regard to his knowledge of [redacted] JERALD JACOW, and others, doing business as, AMERICAN CAPITAL CONSULTANTS, Inc., and AAA TRANSFER, Inc., 1191 East Newport Center Drive, Deerfield Beach, Florida. Mr. [redacted] was served with a subpoena for testimony before the Federal Grand Jury, Fort Lauderdale, Florida, on 4/19/88.

[redacted] were informed of the FBI/SEC investigation relative to conspiracies among promoters, principals, broker-dealer firms, and, newsletter publishers, involving pennystock, "over-the-counter," (OTC) securities, including AMERICAN ASSURANCE UNDERWRITERS, INFO-DATA, SEARCH, INC., GUARANTEED TUNE-UP, and others. Mr. [redacted] indicated BRADSTREET CAPITAL was inactive, as of December, 1987, following actions taken by the Florida Comptroller's Office, Division of Securities, and the National Association of Securities Dealers (NASD). [redacted] indicated he was presently self-employed, working out of his residence, attempting to settle problems from his former operation of BRADSTREET CAPITAL.

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[redacted] advised he was born in Florida, on [redacted] and currently resides at [redacted] telephone [redacted] is a white, male, approximately 5'10", medium build and weight, brown hair, graying.

[redacted] explained he has been in the securities business for over 20 years, having begun as a clerk on Wall Street. He has previously worked for TROSTER, SINGER, Inc., in Jersey City, for [redacted] (ph); and, during 1983, moved to Florida and went to work for GREENTREE SECURITIES, run by [redacted] in Boca Raton. [redacted] stated GREENTREE had only about 4 agents, including [redacted]

[redacted] left GREENTREE during 1984 and claimed no knowledge of GREENTREE having been "taken over" by IRVING KOTT. [redacted] stated he knew of KOTT's reputation as a Canadian stock dealer. After GREENTREE, [redacted] worked for [redacted] at R.H. STEWART & Company, Inc., in Fort Lauderdale, where he also met JERRY JACOW, [redacted], and [redacted] left RH STEWART in 1985 and started BRADSTREET CAPITAL on West Commercial Boulevard, Fort Lauderdale.

Investigation on 4/12/88 at Coral Gables, FL File # MM 196B-3101-61

by SA [redacted] /kfp Date dictated 4/13/88

Continuation of FD-302 of [REDACTED]

, On 4/12/88 , Page 2

[REDACTED] stated while located on West Commercial Boulevard he met [REDACTED] who had offices in the same building. [REDACTED] eventually contributed a "loan," of \$35,000, consisting of Certificates of Deposit, towards the establishment of BRADSTREET CAPITAL. BRADSTREET was later moved to a location on Sample Road, in Coral Springs, and then to the Newport Center, in Deerfield Beach, where it was located in the same building as AMERICAN CAPITAL CONSULTANTS, AAA TRANSFER, Inc., and, AMERICAN ASSURANCE UNDERWRITERS. [REDACTED] stated BRADSTREET took office space which had previously belonged to another brokerage, FIRST SOUTHERN. BRADSTREET moved to Deerfield during Juner, 1987.

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[REDACTED] claiming access to "funds," at a Louisiana bank, where funding for the establishment of a broker-dealer firm could be obtained. He was asked about the sale of 55% of BRADSTREET, and stated this occurred after he moved to Deerfield Beach, when [REDACTED] whom he had known at R.H. STEWART & Co., and was then with AMERICAN CAPITAL, made an investment consisting of cash and stock in AMERICAN CAPITAL, for the majority ownership of BRADSTREET. Later, [REDACTED] who was barred by the SEC from selling stock, was hired to bring in additional brokers, conduct sales training, and do some advertising. [REDACTED] brought in a number of brokers who had previously worked at FIRST SOUTHERN. [REDACTED] was asked whether he was aware of the fact the funds and stock furnished to him by [REDACTED] for BRADSTREET, had come from [REDACTED] and JERRY JACOLOW. [REDACTED] denied knowing this, pointing out that all documents were in [REDACTED] name.

[REDACTED] was then questioned as to his knowledge of specific persons and/or firms, as follows:

[REDACTED] described by [REDACTED] as a professional photographer; operated a firm dealing with the advertising of stock firms; "hung around" AMERICAN CAPITAL;

[REDACTED] remarked that he had no ties to any newsletter publishers involved in pennystock publications.

[REDACTED] knew of [REDACTED] as a pennystock newsletter publisher. [REDACTED] inasmuch as his firm, NEWSLETTER MANAGEMENT, Inc., was in the same building as GREENTREE SECURITIES, where [REDACTED] previously worked; in Boca Raton; never used [REDACTED] or his firm to tout stock in newsletters;

[REDACTED] hired to handle salesmen; brought in salesmen to work at BRADSTREET, mostly from FIRST SOUTHERN, run by [REDACTED]

Continuation of FD-302 of [REDACTED]

, On 4/12/88

, Page 3

GOLDCOR: know as an OTC company; never sold by BRADSTREET;

[REDACTED] unknown to [REDACTED] has heard of him in the OTC business;

[REDACTED] opened an account with BRADSTREET; never took any company public with BRADSTREET;

[REDACTED] met with regard to sale of VISTA MGT and VENTRA MGT, by BRADSTREET; involved in leasing company in Miami;

[REDACTED] know as principal of STUART, JAMES, Inc.;

[REDACTED] know name as principal of NASH, WEISS; GRAYSTONE, NASH;

IRVING KOTT: heard of him as Canadian OTC specialist;

[REDACTED] do not know;

[REDACTED] never met; with [REDACTED]

[REDACTED] knows name as head of INTEGRATED BUSINESSES;

WAKEFIELD FINANCIAL: bought from them with BRADSTREET; names of [REDACTED] familiar as WAKEFIELD personnel;

JERRY JACOW & [REDACTED] known from R.H. STEWART;

[REDACTED] stated stocks from AMERICAN CAPITAL were "flying high," when he began selling the same stocks at BRADSTREET; recalls receiving "packages" from AMERICAN CAPITAL, which included many newsletters touting the specific stocks, such as AMERICAN ASSURANCE UNDERWRITERS and GUARANTEED TUNE-UP;

[REDACTED] known from R.H. STEWART;

[REDACTED] handled some legal work, such as due diligence reports, etc., and research, at BRADSTREET; did not use regularly; never saw him at AMERICAN CAPITAL.

Mr. [REDACTED] who was present during discussion with [REDACTED] indicated cooperation of [REDACTED] but desired to discuss matters with AUSA [REDACTED] and was provided with Mr. [REDACTED] telephone number. [REDACTED] was asked whether, inasmuch as he had known [REDACTED] JACOW, [REDACTED] from selling at R.H. STEWART, whether it would be expected that they were also selling stock from AMERICAN CAPITAL. [REDACTED] remarked he did not know for sure, so any answer would merely be a guess or an opinion.

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U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

196A-2212 (NSRA)

Eighth Floor
Federal Office Building
600 Arch Street
Philadelphia, Pennsylvania 19106
April 29, 1988

Mr. Edward S. G. Dennis, Jr.
United States Attorney
Eastern District of Pennsylvania
3310 U. S. Courthouse
Independence Mall West
601 Market Street
Philadelphia, Pennsylvania 19106

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b7C

Attention: [REDACTED]
Assistant United States Attorney

RE [REDACTED]
GERALD JACALOW; DBA
UNITED CAPITAL GROUP
FRAUD BY WIRE;
MAIL FRAUD

Dear Mr. Dennis:

On April 18, 1988, Special Agent (SA) [REDACTED]
[REDACTED] discussed the following facts with Assistant United States
Attorney (AUSA) [REDACTED]

In August 1987, the Philadelphia Office of the Federal
Bureau of Investigation (FBI) instituted an investigation into
the activities of [REDACTED] and Gerald Jacalow who, according
to source information, had planned to operate in the Eastern
District of Pennsylvania, a company known as United Capital
Group. The source stated that United Capital Group was to be
used by [REDACTED] and Jacalow as a front for stock manipulations
and venture capital schemes. The source also advised that
[REDACTED] Jacalow, and Irving Kott were devising a scheme to sell

1-Addressee
①-SAC MIAMI (196B-3101)
1-Philadelphia (196A-2212)(NSRA)

JEF:acg
(3)

\$20,000,000 of preferred stock in American Assurance Company in Europe. The source stated that American Assurance Company is not a licensed insurance company and its stock had no real value other than what was being artificially generated by [redacted] Jacalow.

Though SA [redacted] had some undercover meetings with [redacted] never set up a company in the Eastern District of Pennsylvania and therefore did not commit a stock manipulation fraud in this district. [redacted] and Jacalow are currently under investigation by the Miami Office of the FBI, and it is anticipated by Agents of that office that both [redacted] Jacalow will be indicted for stock manipulation in the near future. The under cover work done by SA [redacted] will support Miami's case in its effort to obtain successful prosecution of [redacted] and Jacalow.

For the reason that [redacted] and Jacalow never actually operated in the Eastern District of Pennsylvania, nor committed a crime here, it was recommended that the investigation by the Philadelphia Office of the FBI, of Jacalow and [redacted] be discontinued in favor of the case being investigation by the Miami Office of the FBI.

AUSA [redacted] advised that in view of the above facts he would defer prosecution of [redacted] and Jacalow to the United States Attorney's Office in Miami.

Very truly yours,

Wayne G. Davis
Special Agent in Charge

Bv: [redacted]

Supervisory Senior Resident Agency

327/0025
11/23/87

FM PHILADELPHIA (196A-2212) (NSRA)

TO DIRECTOR, FBI (ROUTINE)

BT

U N C L A S

ATTENTION: FINANCIAL CRIME UNIT, SSA [REDACTED]

[REDACTED] ET AL, FBW, OO:PH

RE PH TELETYPE TO BUREAU 10/9/87.

PURPOSE: AUTHORITY IS REQUESTED TO CONTINUE TO
ELECTRONICALLY MONITOR CONVERSATIONS OF UNDERCOVER AGENT (UCA)
AND THE COOPERATING WITNESS (CW) [REDACTED] GERALD JACALOW,
IRVING COTT, [REDACTED] AND OTHERS YET TO BE IDENTIFIED.

DETAILS: CW AND PH UCA HAVE MET WITH [REDACTED] AND
GERALD JACALOW RE SEVERAL STOCK MANIPULATION SCHEMES. [REDACTED]
ATTEMPTING TO SET UP A "PHONE ROOM" TO SELL STOCK WITH
ARTIFICIALLY INFLATED VALUES. [REDACTED] ASSOCIATED WITH [REDACTED]
[REDACTED] AND IRVING COTT INTERNATIONAL CON MEN INVOLVED IN STOCK

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b7C

*note corrections on pg 2
corrected 11/23*

2-PL

1-196A-2212 (NSRA)

1-66-6587 SUB B

JV:jb
(2)

FILE REVIEWED
DATE 4/17/83
INITIALS [Signature]

TELETYPE

APPROVED: WGD/EA

TRANSMITTED: 025 735P
(no.) (time)

PER: ma

196A-2212-3101 Sub B-14
196A-2212

ck 11/24/87

^PAGE TWO 196A-2212 UNCLAS

FRAUDS WITH ORGANIZED CRIME TIES. [] AND COTT APPROACHED CW
RE USING A SHELL COMPANY TO FACILITATE THE SCHEME. MATTER IS
BEING CONSIDERED FOR A GROUP ^{II}~~40~~ UCO. CW AND UCA PROVIDED WRITTEN
PERMISSION FOR CONSENSUALLY MONITORING THEIR CONVERSATIONS AND
AGREED TO TESTIFY AT ANY FORTHCOMING CRIMINAL PROCEEDINGS.

U.S. ATTORNEY'S OPINION: AUSA [] EDPA,
^{issues}
FORESEES NO ENTRAPMENT RE-~~INSTANT~~ AND CONCURS IN THE USE OF
CONSENSUAL MONITORING TO SUBSTANTIATE POTENTIAL TESTIMONY OF UCA
AND CW.

ADMINISTRATIVE: UCA IDENTIFIED AS SPECIAL AGENT []
[] CW IDENTIFIED AS [] PRIOR MONITORINGS
CONDUCTED UNDER [] [] IS REPLACING SA []
VALUES AS UCA.

BT

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b7C
b7D

OUTBOX.1 (#653)

TO: HQ2 @ EMH2

FROM: PH @ EMH2

SUBJECT: 327/0025 ROUTINE

DATE: 24 NOV 87 00:34:59 GMT

CC:

TEXT:
VZCZCPH0025

RR HQ

DE PH #0025 3272209

ZNR UUUUU

R 232210Z NOV 87

FM PHILADELPHIA (196A-2212) (NSRA)

TO DIRECTOR, FBI (ROUTINE)

BT

U N C L A S

ATTENTION: FINANCIAL CRIME UNIT, SSA [REDACTED]

[REDACTED], ET AL, FBW, OO:PH

RE PH TELETYPE TO BUREAU 10/9/87.

PURPOSE: AUTHORITY IS REQUESTED TO CONTINUE TO
ELECTRONICALLY MONITOR CONVERSATIONS OF UNDERCOVER AGENT (UCA)
AND THE COOPERATING WITNESS (CW) [REDACTED] GERALD JACALOW,
IRVING COTT, [REDACTED] AND OTHERS YET TO BE IDENTIFIED.

DETAILS: CW AND PH UCA HAVE MET WITH [REDACTED] AND
GERALD JACALOW RE SEVERAL STOCK MANIPULATION SCHEMES. [REDACTED]
ATTEMPTING TO SET UP A "PHONE ROOM" TO SELL STOCK WITH
ARTIFICIALLY INFLATED VALUES. [REDACTED] ASSOCIATED WITH [REDACTED]

[REDACTED] AND IRVING COTT INTERNATIONAL CON MEN INVOLVED IN STOCK

196A-MVN-3101 Sub B-14
196A-2212-7

PAGE TWO DE PH 0025 UNCLAS

FRAUDS WITH ORGANIZED CRIME TIES [REDACTED] AND COTT APPROACHED CW
RE USING A SHELL COMPANY TO FACILITATE THE SCHEME. MATTER IS
BEING CONSIDERED FOR A GROUP II UCO. CW AND UCA PROVIDED WRITTEN
PERMISSION FOR CONSENSUALLY MONITORING THEIR CONVERSATIONS AND
AGREED TO TESTIFY AT ANY FORTHCOMING CRIMINAL PROCEEDINGS.

U.S. ATTORNEY'S OPINION: AUSA [REDACTED] EDPA,
FORESEES NO ENTRAPMENT ISSUES AND CONCURS IN THE USE OF
CONSENSUAL MONITORING TO SUBSTANTIATE POTENTIAL TESTIMONY OF UCA
AND CW.

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b7D

ADMINISTRATIVE: UCA IDENTIFIED AS SPECIAL AGENT [REDACTED]

[REDACTED] CW IDENTIFIED AS [REDACTED]

PRIOR MONITORINGS

CONDUCTED UNDER [REDACTED]

IS REPLACING SA [REDACTED]

[REDACTED] AS UCA.

BT

#0025

NNNN

Memorandum



To : SAC, MIAMI (196B-3101) (P)

Date 8/5/88

From : SA [redacted] (WCC-2)

Subject : [redacted] ET AL;
AMERICAN CAPITAL CONSULTANTS, INC.;
AAA TRANSFER, INC.;
Deerfield Beach, FL
FBW(B)-SECURITIES FRAUD
OO:MM

EGGSHELL
FBW(A)-SECURITIES FRAUD
OO:MM (MM 196A-3193)

On 8/5/88, Staff Attorney [redacted] SEC, Denver, CO, FTS [redacted] was contacted with regard to his continuing investigation regarding HI PEAK, Inc. stock, principally by [redacted]. [redacted] stated his investigation has disclosed HI PEAK is now being traded in the pink sheets (OTC stock) as SSF (SPECIAL SERVICE FREIGHT, INC.). He has determined that [redacted] has recently arranged to have SSF stock provided to subscribers of "LOTTERY BUSTERS," operated by pennystock newsletter publisher [redacted] to receive shares of SSF providing they resubscribe. [redacted] firm, NEWSLETTER MANAGEMENT, INC. recently (7/12/88) received 1.25 million shares of SSF for distribution.

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[redacted] is currently operating as "SOUTHWEST CAPITAL & COMMERCIAL, INC., Box C-6000 No. 346, Scottsdale, AZ 85261, telephone [redacted] stated he also obtained [redacted] home number from Arizona Securities Division, as [redacted] (same tel#). [redacted] stated a recent phone call to that number was answered as "INFLEET." [redacted] stated [redacted] is a new "subsidiary" of HIPEAK/SSF and it is possible [redacted] is gearing up for yet another name change. [redacted] advised his investigation has revealed HUBERMAN, MARGARETTEN & STRAUSS, 1380 Miami Gardens Drive, North Miami Beach, FL (now renamed HUBERMAN SECURITIES CORPORATION) [redacted] had the following sales of HI PEAK stock on 8/10/87:

1. 3.9 million shares sold to SIGMA NEUCHATEL, LTD., Case Postale 180, 51 Rue De Molines, 2000 Neuchatel 4, SWITZ, and,

2. 1 million shares to INTERNATIONAL TRENDS INC. II, 2 Park Avenue, Suite 1600, NY, NY 10061 (212) 246-2164.

[redacted] was advised of [redacted] trips to Europe during 1987 to meet with notorious pennystock swindler [redacted] and possibly IRVING KOTT (undisclosed principal of GREENTREE SECURITIES). [redacted] advised SEC, Denver received information that [redacted] was among a total of 11 persons arrested in Paris, France; West Germany, and Switzerland by European authorities in the past week.

2 - MM (1 - 196B-3101)
KFP/ (1 - 196A-3193)

Mr. [] advised the the 4.9 million shares of HI PEAK sold by HUBERMAN, MARGARETTEN on 8/10/87 represented about 10% of the stock remaining to close the public offering (IPO). [] stated he has sought additional records to identify the principals of SIGMA and INT"L TRENDS II and believes they are linked to []

[] stated a review of transfer records (AAA TRANSFER) indicate [] presently owns 3.575 million shares of free SSF stock and 107,625,000 shares of restricted stock in SSF/HI PEAK. He stated he believes the restricted shares will be eligible to become free-trading stock in either 1/89 or 5/89.

[] stated he would share results of his HI PEAK/SSF investigation with SEC, Miami, in order that information of value to the pending OO:MM criminal investigation might be available.

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FBI

TRANSMIT VIA:

☒ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

☐ Immediate
☐ Priority
☒ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☒ UNCLAS

Date 8-5-88

W2

#3

FM FBI MIAMI (196B-3101) (P) (WCC-2 - KFP)

TO FBI NEWARK (196A-2675)/ROUTINE/

BT

UNCLAS

CITE: //3460//

PASS: SA [REDACTED]

SUBJECT: [REDACTED] ET AL DBA AMERICAN CAPITAL

CONSULTANTS, INC., HI PEAK, INC. FBW(B) - SECURITIES FRAUD.

OO MIAMI.

FOR INFORMATION OF NEWARK. SEC STAFF ATTORNEY [REDACTED]

DENVER, CO. [REDACTED], HAS MAINTAINED CONTACT WITH FBI,

MIAMI, IN REGARD TO PENDING OO-MM INVESTIGATION ENTITLED [REDACTED]

[REDACTED] ET AL DBA AMERICAN CAPITAL CONSULTANTS, INC.,

DEERFIELD BEACH, FLA., FBW(B) - SECURITIES FRAUD. [REDACTED] IS

PRESENTLY CONDUCTING SEC INVESTIGATION WITH REGARD TO HI PEAK.

16

17

18

① - 196B-3101
 1 - 196A-3193 (Info)

KFP:sl

(2)

21

INDEX/INITIALS

POTTER

Approved: Wew/NB

Transmitted

(Number)

(Time)

Per

Searched _____
 Indexed _____
 Serialized _____
 Filed _____

U.S. GPO: 1987 - 181-486

196B-3101-97

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date _____

^ PAGE TWO MM 196B-3101 UNCLAS

1 [] HAS ADVISED HI PEAK IS PRESENTLY SELLING IN THE PINK
 2 SHEETS (OTC) AS SSF (SPECIAL SERVICE FREIGHT). [] HAS
 3 ADVISED HIS INVESTIGATION HAS REVEALED [] IS PRESENTLY IN
 4 POSSESSION OF 3.5 MILLION SHARES OF FREE TRADING STOCK, AND IN
 5 EXCESS OF 107 MILLION SHARES OF RESTRICTED STOCK IN HI PEAK/SSF
 6 NEAREN ESTIMATES [] 107 MILLION SHARES OF RESTRICTED
 7 STOCK WILL BECOME ELIGIBLE FOR TRADING NO LATER THAN MAY, 1989.

8 [] ADVISED SEC INVESTIGATION DISCLOSES SOME FIVE MILLION IN
 9 HI PEAK STOCK WAS SOLD THROUGH HUBERMAN, MARGARETTEN & STRAUS,
 10 INC., NORTH MIAMI BEACH, FLA., ON AUGUST 10, 1987, WITH ALMOST
 11 FOUR MILLION SHARES TO SIGMA NEUCHATEL, LTD., NEUCHATEL,
 12 SWITZERLAND, AND ONE MILLION TO INTERNATIONAL TRENDS II, INC.,
 13 NEW YORK, NEW YORK. [] SUSPECTS COLLUSION BETWEEN []
 14 AND THE NORTH MIAMI BEACH BROKERAGE, NOW RENAMED HUBERMAN
 15 SECURITIES CORPORATION.

16 NEAREN ADVISED [] PRESENTLY DOING BUSINESS AS
 17 "SOUTHWEST CAPITAL & COMMERCIAL, INC., BOX C-6000, NO. 346,
 18 SCOTTSDALE, AZ 85261," AND RESIDES (PROTECT INFORMATION) AT
 19 []

20 []
 21 TELEPHONE NUMBER. AT BOTH SWCC AND RESIDENCE WAS PROVIDED AS

Approved: _____ Transmitted _____ (Number) (Time) Per _____

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date _____

^ PAGE THREE MM 196B-3101 UNCLAS

1 [REDACTED] ADVISED RECEPTIONIST AT THIS NUMBER
2 SOMETIMES ANSWERS AS "INFLEET." [REDACTED] STATED "INFLEET" IS
3 REPORTEDLY A "SUBSIDIARY" OF HI PEAK/SSF.
4 [REDACTED] ADVISED OF POSSIBLE CONNECTION BETWEEN [REDACTED] AND
5 [REDACTED] AND IRVING KOTT, WITH REGARD TO EUROPEAN TRAVEL BY
6 [REDACTED] DURING 1987. [REDACTED] ADVISED SEC HAS RECEIVED
7 INFORMATION INDICATING [REDACTED] (PH)
8 WERE ARRESTED WITHIN THE PAST WEEK IN PARIS. FRANCE, WITH A TOTAL
9 OF ELEVEN (11) ARRESTS HAVING BEEN EFFECTED BY EUROPEAN
10 AUTHORITIES CHARGING [REDACTED] AND OTHERS WITH STOCK FRAUDS.
11 INDICATIONS ARE THAT ARRESTS TOOK PLACE IN FRANCE, WEST GERMANY,
12 AND SWITZERLAND. NEWARK MIGHT CONSIDER DETERMINING EUROPEAN
13 (INTERPOL ?) AUTHORITIES INVOLVED FOR COORDINATION PURPOSES.
14 FOR INFORMATION OF NEWARK, USA, MIAMI, HAS PROVIDED TARGET
15 LETTER TO [REDACTED] THROUGH WEST PALM BEACH, FLA., ATTORNEY
16 (REPORTEDLY [REDACTED] WHO NOW REPRESENTS
17 [REDACTED] TARGET LETTER WAS WITH REGARD TO FBI INVESTIGATION OF
18 [REDACTED] DBA R.H. STEWART & CO., MIAMI, FLA.; HOWEVER, ATTORNEY
19 RECONTACTED USA, MIAMI, AND WAS ADVISED OF TARGET STATUS OF
20 [REDACTED] WITH REGARD TO CAPTIONED MIAMI MATTER AS WELL. IN

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Approved: _____ Transmitted _____ Per _____
(Number) (Time)

FBI

TRANSMIT VIA:

- ☐ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

- ☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

- ☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date _____

PAGE FOUR MM 196B-3101 UNCLAS

1
2 ADDITION. REPORTS INDICATE JERRY JACOLOW. PARTNER OF [REDACTED] AT
3 AMERICAN CAPITAL CONSULTANTS, DEERFIELD BEACH, FLA., DIED OF
4 HEART ATTACK IN BOCA RATON. FLA., DURING JULY 1988. EFFORTS TO
5 CONTACT [REDACTED], PARTNER OF JACOLOW IN GLOBAL INVESTMENTS,
6 INC. BOCA RATON, DETERMINED OFFICE WAS SHUT DOWN DUE TO DEATH OF
7 JACOLOW. MIAMI ATTEMPTING TO VERIFY DEATH THROUGH DEATH
8 CERTIFICATE.

9
10 NEWARK REQUESTED TO ADVISE MIAMI RE RECENT CONTACTS, IF ANY,
11 BY NEWARK COOPERATING WITNESS.

12
13
14
15
16
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18
19
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Approved: _____ Transmitted _____ (Number) (Time) Per _____

CLTBOX.7 (2396)

TO: NK @ EMB

FROM: MM @ EMB

SUBJECT: 213/0023 ROUTINE

DATE: 5 AUG 68 21:38:46 GMT

CC:

TEXT:

VZCZCMM3023

RR NK

DE MM #0023 2182100

ZNR UUUUU

R 051640Z AUG 68

FM FBI MIAMI (196B-3101) (P) (WCC-2, KFF)

TO FBI NEWARK (196A-2675)/ROUTINE/

BT

UNCLAS

CITE: //3460//

PASS: SA [REDACTED]

SUBJECT: [REDACTED] ET AL; DBA AMERICAN CAPITAL
CONSULTANTS, INC., FT PEAKE, INC. FBW(B) - SECURITIES FRAUD,
OO:MIAMI.

FOR INFORMATION OF NEWARK, SEC STAFF ATTORNEY LHM [REDACTED]
DENVER, CO. [REDACTED] HAS MAINTAINED CONTACT WITH FBI,
MIAMI. IN REGARD TO PENDING DOJMM INVESTIGATION ENTITLED [REDACTED]
[REDACTED] ET AL; DBA AMERICAN CAPITAL CONSULTANTS, INC.,
DEERFIELD BEACH, FLA., FBW(B) - SECURITIES FRAUD [REDACTED] IS

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Searched _____
Indexed _____
Serialized _____
Filed _____

96B-3101-97

PAGE TWO DE KM 0028 UNCLAS

PRESENTLY CONDUCTING SEC INVESTIGATION WITH REGARD TO HI PEAK.

[] HAS ADVISED HI PEAK IS PRESENTLY SELLING IN THE PINK SHEETS (OTC) AS SSF (SPECIAL SERVICE FREIGHT). [] HAS ADVISED HIS INVESTIGATION HAS REVEALED [] IS PRESENTLY IN POSSESSION OF 3.5 MILLION SHARES OF FREE TRADING STOCK, AND IN EXCESS OF 107 MILLION SHARES OF RESTRICTED STOCK IN HI PEAK/SSF. NEAREN ESTIMATES [] 107 MILLION SHARES OF RESTRICTED STOCK WILL BECOME ELIGIBLE FOR TRADING NO LATER THAN MAY, 1989.

[] ADVISED SEC INVESTIGATION DISCLOSES SOME FIVE MILLION IN HI PEAK STOCK WAS SOLD THROUGH HUBERMAN, MARGARETTEN & STRAUS, INC., NORTH MIAMI BEACH, FLA., ON AUGUST 10, 1987, WITH ALMOST FOUR MILLION SHARES TO SIGMA NEUCHATEL, LTD., NEUCHATEL, SWITZERLAND, AND ONE MILLION TO INTERNATIONAL TRENDS II, INC., NEW YORK, NEW YORK. NEAREN SUSPECTS COLLUSION BETWEEN [] AND THE NORTH MIAMI BEACH BROKERAGE, NOW RENAMED HUBERMAN SECURITIES CORPORATION.

[] PRESENTLY DOING BUSINESS AS "SOUTHWEST CAPITAL & COMMERCIAL, INC., BOX C-6000, NO. 346, SCOTTSDALE, AZ 85261," AND RESIDES (PROTECT INFORMATION) AT []

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PAGE THREE IE MM 0023 UNCLAS

TELEPHONE NUMBER, [REDACTED] AND RESIDENCE WAS PROVIDED AS

[REDACTED] ADVISED RECEPTIONIST AT THIS NUMBER

SOMETIMES ANSWERS AS "INFLEET." NEAREN STATED "INFLEET" IS
REPORTEDLY A "SUBSIDIARY" OF HI PEAK/SSF.

[REDACTED] ADVISED OF POSSIBLE CONNECTION BETWEEN [REDACTED]

[REDACTED] AND IRVING KOTT, WITH REGARD TO EUROPEAN TRAVEL BY

[REDACTED] DURING 1987. [REDACTED] ADVISED SEC HAS RECEIVED

INFORMATION INDICATING [REDACTED] (P-)

WERE ARRESTED WITHIN THE PAST WEEK IN PARIS, FRANCE, WITH A TOTAL
OF ELEVEN (11) ARRESTS HAVING BEEN EFFECTED BY EUROPEAN
AUTHORITIES CHARGING QUINN AND OTHERS WITH STOCK FRAUDS.

INDICATIONS ARE THAT ARRESTS TOOK PLACE IN FRANCE, WEST GERMANY,
AND SWITZERLAND. NEWARK MIGHT CONSIDER DETERMINING EUROPEAN
(INTERPOL ?) AUTHORITIES INVOLVED FOR COORDINATION PURPOSES.

FOR INFORMATION OF NEWARK, USA, MIAMI, HAS PROVIDED TARGET
LETTER TO [REDACTED] THROUGH WEST PALM BEACH, FLA., ATTORNEY
(REPORTEDLY [REDACTED] WHO NOW REPRESENTS

[REDACTED] TARGET LETTER WAS WITH REGARD TO FBI INVESTIGATION OF
DBA R.H. STEWART & CO., MIAMI, FLA.; HOWEVER, ATTORNEY
RECONTACTED USA, MIAMI, AND WAS ADVISED OF TARGET STATUS OF

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PAGE FOUR DE MM 0028 UNCLAS

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[REDACTED] WITH REGARD TO CAPTIONED MIAMI MATTER AS WELL. IN ADDITION, REPORTS INDICATE JERRY JACOBOW, PARTNER OF [REDACTED] AT AMERICAN CAPITAL CONSULTANTS, DEERFIELD BEACH, FLA., DIED OF HEART ATTACK IN BOCA RATON, FLA., DURING JULY 1988. EFFORTS TO CONTACT [REDACTED] PARTNER OF JACOBOW IN GLOBAL INVESTMENTS, INC., BOCA RATON, DETERMINED OFFICE WAS SHUT DOWN DUE TO DEATH OF JACOBOW. MIAMI ATTEMPTING TO VERIFY DEATH THROUGH DEATH CERTIFICATE.

NEWARK REQUESTED TO ADVISE MIAMI RE RECENT CONTACTS, IF ANY, BY NEWARK COOPERATING WITNESS.

BT

#0028

NNNN

-----END OF DOCUMENT-----

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/30/89

[redacted] was contacted at his residence, [redacted] telephone number [redacted] as previously arranged by telephone communication on March 27, 1989. Mr. [redacted] was advised of the identity of SA [redacted] and informed that, at the present time, the request to speak with him did not involve any warrants or subpoenas.

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Mr. [redacted] was informed that, despite his attorney status, the meeting would not require that he, [redacted] be advised of his rights inasmuch as SA [redacted] had no intention of asking him any questions whatsoever, but, rather to explain a pending FBI investigation involving pennystock fraud. Mr. [redacted] indicated his understanding and his desire to cooperate fully with the FBI investigation.

Mr. [redacted] was informed the FBI, working in cooperation with the Securities and Exchange Commission (SEC), had conducted extensive investigation over the past eighteen months into pennystock frauds and the name of [redacted] had arisen with regard not only to legal representation and filings with the SEC and appropriate regulatory agencies, but in regard to his involvement, of a conspiratorial nature, with broker-dealers, issuers, and promoters; as well as his orchestration, through the use of his [redacted] of his own networking in pennystock matters by virtue of [redacted] involvement in DUNHILL-LORD, KETTLER, GUARDIAN INTERNATIONAL, and other broker-dealer firms. Mr. [redacted] interjected at this point that he was not involved in his wife's operation of those named brokerage firms and, indeed, had stayed away from any management of securities businesses.

Mr. [redacted] was also apprised of the fact that the FBI was familiar with recent litigation by the SEC against him personally; to include the ELECTRONIC WAREHOUSE matter, in Boston, Massachusetts, and the recent "2E" hearing, held in an effort to prevent him from continuing his practice in securities law, which was held at the Courtroom at Nova University Law School, in Fort Lauderdale. Mr. [redacted] remarked that the "2E" ruling had not been disclosed yet.

Mr. [redacted] was advised the purpose of SA [redacted] visit, was to acquaint him with the fact that he, [redacted], and possibly [redacted] [redacted], were subjects in the ever-widening FBI-SEC investigation. Mr. [redacted] was advised he could consider himself a "target" of the FBI

Investigation on 3/28/89 at Fort Lauderdale, FL File # MM 196A-3193

by SA [redacted] /kfp Date dictated 3/30/89

Continuation of FD-302 of _____, On 3/28/89, Page 2

investigation. He was informed that SA [] had requested the meeting to advise him of that fact, upon receiving information that Mr. [] had decided to leave the practice of law and relocate from the South Florida area to operate a business in the Southeastern United States. Mr. [] confirmed he was leaving South Florida, as evidenced by the fact he had closed his law office in the Paragon Building, Fort Lauderdale, and his residence, where this meeting was taking place, was marked with a realtor's "For Sale" sign. Mr. [] commented that he and his wife would run an Inn in North Carolina if the bid they had made was acceptable.

Mr. [] commented on the college ring, from The Citadel, worn by SA [] and noted he had also graduated from The Citadel, in 1968. He remarked he had attended his 20th graduation reunion and was reminded of the principles of truth, honesty, and friendliness, which exist at the school, and in the South, are unlike the atmosphere of fraud, deceit, and crime rampant in South Florida.

Mr. [] was then advised that the FBI investigation into pennystock frauds evolved from one small case, into a major fraud investigation, now consisting of numerous securities-related cases with RICO statute implications. He was informed his name had "come up" in a number of the pending cases and it was believed he could be of assistance to the FBI. Mr. [] was reminded of his "target" status. He reiterated his desire to cooperate with the FBI and his willingness to discuss persons, firms, places and things, in response to FBI questions. [] indicated he considered himself an honorable person, ever law-abiding. He stated any cooperation and assistance on his part would necessarily be limited by attorney-client privilege in some instances. He assured SA [] he had not knowingly involved himself in illegal schemes or activities. It was pointed out to Mr. [] that initiation of cooperation on his part might best be begun by a proffer; however, he was reminded that SA POTTER was not empowered or intending to conduct any sort of plea negotiations. He was informed that he should discuss the FBI visit with his attorney and have that attorney contact SA [] or Assistant United States Attorney [] in Miami, who was the prosecutor involved.

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Continuation of FD-302 of _____, Attorney _____, On 3/28/89, Page 3

Mr. _____ was advised that he, _____, was at a disadvantage inasmuch as he had no "starting point" to understand the thrust and direction of the FBI investigation into pennystock fraud. He was advised that no list of broker-dealer firms, or stocks, would be provided to him at this time; however, some names of persons involved in the pennystock area could be mentioned. Mr. _____ was cautioned that he should not misinterpret SA _____ comments to imply that one, or all, of the persons mentioned were under scrutiny by the FBI.

_____ was advised the FBI investigation was initiated with the business activities of _____ two firms, R.H. STEWART & CO., and AMERICAN CAPITAL CONSULTANTS. It was noted that _____ had been involved with _____. _____ remarked that _____ had recently returned to the South Florida area from Arizona and had met with _____ formerly with AMERICAN ASSURANCE UNDERWRITERS. _____ had advised _____ he had returned because in his absence "things had died down."

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_____ was reminded that names being mentioned were not being done to elicit information or comments of any kind. He stated he understood. Mr. _____ was advised that he need not indicate in any way that he knew or had done any form of business with the persons being mentioned. The names of the following were then indicated:

_____ IRVING KOTT, to name a few.

Mr. _____ was advised the pennystock investigation in South Florida had extended to California, New York, New Jersey, Canada, and Europe. The FBI was interested in every aspect of pennystock fraud to include stock manipulation by broker-dealer principals, promoters, issuers, attorneys, accountants, and pennystock newsletter publishers. It was pointed out that Organized Crime associations and money laundering were also of interest and the pennystock task force included the FBI, SEC, NASD, IRS, and State regulatory agencies.

Mr. _____ was informed that no commitment was necessary at present; however, it was desired that he realize his "target" status in the event he subsequently decided to cooperate fully. It was mentioned that immunity was, in SA _____ opinion, not a consideration, but that plea agreements would be accomplished through AUSA _____

Continuation of FD-302 of [redacted] Attorney [redacted], On 3/28/89, Page 4

Mr. [redacted] indicated his desire to cooperate with the FBI in this matter. He stated he would notify SA [redacted] of his new address; and telephone number upon relocating in North Carolina. He advised he felt it would be more beneficial for him to answer questions put to him directly by the FBI; however, in the event some kind of "proffer" would help to initiate cooperation on his part he would consider it. It was suggested that he discuss with counsel versed in the Federal criminal system and that any subsequent meeting, or desire to cooperate, should be directed to Mr. [redacted]. [redacted] was advised SA [redacted] could arrange a meeting with Mr. [redacted] at his convenience.

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Mr. [redacted] was advised there was no need to continue the meeting inasmuch as its purpose, of advising Mr. [redacted] of his subject status and of possible FBI interest in his cooperation, had been accomplished. Mr. [redacted] indicated his appreciation for direct contact by SA [redacted] in this manner. He stated he would be in contact with SA [redacted] in the future.

Upon exiting Mr. [redacted] residence, at [redacted] located on the west side of the Intercoastal Canal, it was noted that the real estate agency handling the sale of [redacted] residence was "MERRILL, LYNCH REAL ESTATE," [redacted]. The sign also contained the names of [redacted] and a telephone number of [redacted].

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☐ AIRTEL

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 5/12/89

TO: SAC, NEW YORK (196B-3576) (ATTN: SA [REDACTED])

FROM: SAC, MIAMI (196A-3193) (WCC-2) (P)

EGGSHELL;
 RICO - FBW(A);
 SECURITIES FRAUD
 (OO: MIAMI)

[REDACTED] ET AL
 AMERICAN CAPITAL CONSULTANTS, INC.;
 AAA TRANSFER, INC.;
 [REDACTED] ET AL;
 WAKEFIELD FINANCIAL CORPORATION;
 FBW(B) - SECURITIES FRAUD-CONSPIRACY
 (OO: MIAMI) (196B-3101)

Re New York airtel to Miami, 4/26/89 and Miami
 telcall 5/9/89.

For information Miami EGG SHELL investigation presently
 involves 12 subcases, and several related cases, with FGJ
 initiated in five cases to date. Miami continues efforts to
 develop information related to SEC-violations between

2 - New York

2 - Newark

1 - Boston

1 - Denver

1 - Philadelphia

② - Miami

(196A-2695) (Attn: SA [REDACTED])

(196A-2123) (Attn: SA [REDACTED])

(196A-2650) (Attn: SA TOM HARRINGTON)

(196A-2212) (Attn: SA [REDACTED])

(1-196A-3193)

①-196B-3101)

KFP:ksl

(9)

Approved: _____ Transmitted _____ Per _____
 (Number) (Time)

Searched _____

Indexed _____

Serialized _____

Filed *Em*

U.S. GPO: 1987 - 181-486

196B-3101-131

MM 196A-3193.

newsletter publisher [redacted] dba, AMERICAN MEDIA GROUP, Boca Raton, Florida, and various targets including [redacted] dba, STUART, JAMES & CO (Denver); [redacted] dba, BLINDER ROBINSON INC. (Denver); [redacted] (formerly GRAYSTONE NASH INC.); [redacted] dba, NITRAM, INC. (Salt Lake City); [redacted] (HUBERMAN, MARGARETTEN & STRAUSS); [redacted] (formerly PROFILE INVESTMENTS); [redacted] (CAPITAL INVESTMENT DEVELOPMENT CORP.); [redacted] (formerly F.D. ROBERTS, INC.); [redacted] (SHEFFIELD SECURITIES); IRVING KOTT [redacted] (formerly GREENTREE SECURITIES); [redacted] (AMERICAN CAPITAL CONSULTANTS). EGGSHELL is pursuing information pertaining to broker-principal-issuer-promoter agreements to promote, hype, sell, and manipulate pennystock issues resulting in large profits to insiders and nominees.

Re New York airtel requested information regarding EGGSHELL interest in several brokerages: WAKEFIELD FINANCIAL CORP. (New York) (now closed); PROFILE INVESTMENTS, INC. (Miami and New York) (now closed); MONARCH FUNDING (New York); PARAGON CAPITAL CORP. (New York); R.B. WEBSTER INVESTMENTS (Fort Lauderdale); and MORGAN-GLADSTONE, INC. (Boca Raton, Florida).

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In the past several months numerous pennystock brokerages have ceased operation, mainly due to increasing SEC/NASD and State Securities Division investigation; law enforcement activities; and media attention nationwide, focused on pennystock fraud. These include GREENTREE SECURITIES; INVESTOR CENTER; GRAYSTONE, NASH; HUBERMAN, MARGARETTEN & STRAUSS; EQUITIES INTERNATIONAL; F.D. ROBERTS, INC.; WAKEFIELD FINANCIAL; BRADSTREET CAPITAL; CITIWISE INVESTMENTS; R.H. STEWART & CO.; KETTLER & CO. (Fort Lauderdale); and FIRST SOUTHERN SECURITIES.

Generally, upon closing, one or more new firms open, or brokers and clients are referred to expanding firms, now including the following : FIRST EAGLE (Denver), BARRON & CHASE (Tampa), BISCAYNE SECURITIES (Fort Lauderdale), BRENNAN-ROSS SECURITIES (Englewood & Boca Raton), CORPORATE SECURITIES GROUP (North Miami), EQUITIES INTERNATIONAL (New York), FIRST EQUITY CORP. (Miami), GUARDIAN INTERNATIONAL (Miami), HAMPTON SECURITIES (Newark), J.T. MORAN & CO. (New York & Boca Raton), MORGAN-GLADSTONE (Boca Raton), PACIFIC RIM SECURITIES (Denver) [redacted] (Boca Raton), PRITULA CAPITAL (Boca Raton), SCHWEITZER & CO. (Fort Lauderdale),

FBI

TRANSMIT VIA:

☐ Teletype
☐ Facsimile
☐ _____

PRECEDENCE:

☐ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date _____

^ PAGE FOUR MM 196A-3193 UNCLAS

1 [REDACTED] MIAMI CONTACT HAS INDICATED NEW YORK BRANCH OF
 2 WAKEFIELD FINANCIAL IS CLOSED OR SOON TO CLOSE, WITH [REDACTED]
 3 JOINING HIS [REDACTED] IN A NEW BROKERAGE, CALLED "KELLY
 4 TRADING, INC." PHILOMENA SCAMARDELLA, FORMER WAKEFIELD EMPLOYEE.
 5 WAS REPORTEDLY FIRED BY [REDACTED] AND CURRENT WHEREABOUTS UNKNOWN.

6 [REDACTED] SHOULD BE QUESTIONED ABOUT POSSIBLE INVOLVEMENT OF
 7 [REDACTED] WITH [REDACTED] OR MIAMI EGGSHELL TARGETS; OF
 8 CURRENT STATUS OF NEW YORK BRANCH OF WAKEFIELD FINANCIAL; OF
 9 WHEREABOUTS (RESIDENCE AND EMPLOYMENT ADDRESSES) OF [REDACTED]
 10

11 [REDACTED] THE NAMES OF OTHER
 12 EGGSHELL SUBJECTS. SUCH AS [REDACTED]

13 [REDACTED] IRVING [REDACTED] KOTT (GREENTREE SECURITIES),
 14 JERALD JACALOW (DECEASED); [REDACTED]
 15 [REDACTED] (PROFILE INVESTMENTS); AND [REDACTED]

16 SHOULD BE DISCUSSED AS TO KNOWLEDGE AND/OR ASSOCIATION WITH
 17 PENNSTOCK ISSUES
 18

BT

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 20
 21

Approved: _____ Transmitted _____ Per _____
 (Number) (Time)

FD-302a (11-15-83)

196B-MM-3193

Continuation of FD-302 of [REDACTED] on 5/24/89, Page 5



IRVING KOTT;



GREENTREE SECURITIES;

JERALD JACALOW;



PROFILE INVESTMENTS;



[REDACTED] then turned over to SA [REDACTED] copies of various documents relating to WFC.

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1347683-0

Total Deleted Page(s) = 12

Page 4 ~ Duplicate;
Page 5 ~ Duplicate;
Page 7 ~ Duplicate;
Page 8 ~ Duplicate;
Page 9 ~ Duplicate;
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INBOX.73 (#5367)

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VZCZCPHO009

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SEA

PH #0009 3572102

ZNR UUUUU

R 232100Z DEC 87

FM PHILADELPHIA (196A-NEW) (NSRA) (P)

TO DIRECTOR ROUTINE

BT

U N C L A S

ATTENTION: SUPERVISORY SPECIAL AGENT (SSA) [REDACTED]

FINANCIAL CRIMES UNIT; UNDERCOVER AND SELECTIVE OPERATIONS UNIT.

SCAMMONIA; FBW; MF; ITSP; (OO: PHILADELPHIA);

FOR INFORMATION OF THE BUREAU, ON DECEMBER 22, 1987,

PHILADELPHIA'S UNDERCOVER REVIEW COMMITTEE, WITH CONCURRENCE OF

SAC, APPROVED A PROPOSAL TO ESTABLISH CAPTIONED MATTER AS

DIRECTLY FUNDED GROUP II UNDERCOVER OPERATION (UCO) IN AMOUNT OF

[REDACTED]

UCO PROPOSAL, WHICH IS BEING FURNISHED TO THE BUREAU UNDER
SEPARATE COVER, OUTLINES AN INVESTIGATION WHICH WILL BE DIRECTED
AT THE ACTIVITIES OF ILLEGAL STOCK MANIPULATORS IN THE UNITED
STATES. SPECIFIC INDIVIDUALS TO BE INVESTIGATED ARE: [REDACTED]

cc-Lill

132 JUL 22 1988

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Cadevall
approved
GAV

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[REDACTED]
No action take
12-25-87
PR

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ADDENDUM: WHITE-COLLAR CRIMES SECTION (WCCS) *WCCS* ytd 1/7/88

SAC, Philadelphia requests [] to facilitate a Group II undercover operation (UCO) entitled "SCAMMONIA" which will address, Fraud By Wire, Mail Fraud and Interstate Transportation of Stolen and Counterfeit Securities violations. The UCO is directed toward individuals involved in illegal stock manipulations and was approved by SAC, Philadelphia on 12/22/87.

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Subjects of the investigation are [] and Irving Kott, well-known con-men with organized crime affiliations; who use the illegal manipulation of stock prices to reap large profits through "boiler room" sales forces to unsuspecting investors. Kott is currently a fugitive from the Netherlands and has been involved with various stock brokerage firms in the U.S. [] runs a series of international telephone rooms which sell stock with artificially derived values.

The undercover technique will use a cooperating witness with past stock dealings involving Kott and [] to introduce an undercover Agent, in need of artificially inflated stock to use as collateral for a UCO company bank loan. UCA will control all the stock for a UCO company and discuss with subjects the methods and costs to manipulate the stock's price. UCA will also attempt to meet Kott, a Canadian citizen inside the U.S. and thereafter effect his arrest.

The White-Collar Crimes Section recommends that Philadelphia be provided with [] direct funding for this Group II UCO, and concurs with the general objectives of this case.

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8 A

Adm. Serv.	Adm. Serv.	Adm. Serv.
Gen. Inv.	Gen. Inv.	Gen. Inv.
Ident.	Ident.	Ident.
Spec. Inv.	Spec. Inv.	Spec. Inv.
Ext. Aff.	Ext. Aff.	Ext. Aff.
Rec. Mgmt.	Rec. Mgmt.	Rec. Mgmt.

DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
COMMUNICATION MESSAGE FORM

044

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1/7/88

UNCLAS

ROUTINE

FM DIRECTOR FBI

TO FBI PHILADELPHIA {196A-NEW} NSRA ROUTINE

SCAMMONIA 00: PHILADELPHIA

RE: PHILADELPHIA TELETYPE TO THE DIRECTOR 12/23/87.

IN REFERENCED TELETYPE, PHILADELPHIA ADVISED OF A NEW
GROUP II UNDERCOVER OPERATION {UCO} ENTITLED "SCAMMONIA", AND
REQUESTED [REDACTED] TO FACILITATE THIS UCO. FBIHQ CONCURS WITH
THIS TECHNIQUE AND A WIRE TRANSFER IN THE AMOUNT OF [REDACTED]
WILL BE FORWARDED PHILADELPHIA AS PER INSTRUCTIONS IN
REFERENCED TELETYPE.

BT

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JHV:ytg {2}

1/7/88

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1 - Mr. [REDACTED]

APPROVED:

Director	Adm. Servs.	Off. of Cong. & Public Affs.
Exec. AD-Adm.	Crim. Inv.	Off. of Lia. & Intl. Affs.
Exec. AD-Inv.	Ident.	Rec. Mgmt.
Exec. AD-LES	Inspection	Tech. Servs.
	Intell.	Training
	Laboratory	
	Legal Coun.	

75 JAN 27 1988

97 AUG 10 1988

DO NOT FILE WITHOUT COMMUNICATIONS SECTION

CLASS ~~SECRET~~
SRC'D ~~SECRET~~
SER ~~SECRET~~
REC ~~SECRET~~

RECEIVED
TELETYPE UNIT

INBOX.39 (#7970)

1 FEB 88 22 43

TEXT:

FEDERAL BUREAU
OF INVESTIGATION

VZCZCPH0006

PP HQ NK MM

DE PH #0006 0322018

ZNR UUUUU

P 011920Z FEB 88

FM SAC, PHILADELPHIA (196A-2296) (NSRA) (P)

TO DIRECTOR, FBI (PRIORITY)

SAC, NEWARK (196-2695)

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b7C

SAC, MIAMI (196B-3101)

BT

U N C L A S

ATTENTION: (FBIHQ) SSA [REDACTED] - FINANCIAL CRIMES

UNIT

SCAMMONIA, FRAUD BY WIRE; MAIL FRAUD; ITSP; OO: PHILADELPHIA

RE NEWARK TELETYPE TO BUREAU, JANUARY 1, 1988 AND
PHILADELPHIA TELETYPE TO BUREAU, JANUARY 13, 1988; PHILADELPHIA
(ASAC EDWARD R. LEARY) TELEPHONE CALL TO NEWARK, JANUARY 15,
1988.

IN ACCORDANCE WITH AN AGREEMENT WITH NEWARK AND IN ORDER TO
FACILITATE THE BEST POSSIBLE OPPORTUNITY FOR NEWARK TO SUCCEED IN
THE PURSUIT OF ITS INVESTIGATION OF ROBERT BRENNAN, PHILADELPHIA

Exec AD Adm.	_____
Exec AD Inv.	_____
Exec AD LES	_____
Asst. Dir.:	_____
Adm. Servs.	_____
Crim. Inv.	_____
Ident.	_____
Insp.	_____
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Lab.	_____
Legal Coun.	_____
Off. Cong. & Public Affs.	_____
Rec. Mgmt.	_____
Tech. Servs.	_____
Training	_____
Off. Liaison & Int. Affs.	_____
Telephone Rm.	_____
Director's Sec'y	_____

AD [REDACTED]

18 FEB 14 1989

RECEIVED
TELETYPE UNIT

INBOX.50 (#3434)

9 FEB 88 04 42 D

TEXT:
VZCZCPH0023

DEPT. OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

RR HQ2

DE PH #0023 0390050

ZNR UUUUU

R 082352Z FEB 88

FM SAC, PHILADELPHIA (196A-2296) (NSRA) (P)

TO DIRECTOR, FBI (ROUTINE)

LEGAT BONN (ROUTINE)

BT

U N C L A S

ATTENTION: FBIHQ, FINANCIAL CRIMES UNIT

SCAMMONIA; FBW; MF; ITSP; OO: PHILADELPHIA

CAPTIONED CASE IS PHILADELPHIA UNDERCOVER OPERATION (UCO)
TARGETING PERSONS INVOLVED IN FRAUDULENT STOCK MANIPULATIONS.
ONE TARGET IS IRVING KOTT, WHITE MALE, DATE OF BIRTH OCTOBER 12,
1930, CANADIAN CITIZEN, RESIDENCE MONTREAL, CANADA. KOTT IS
BEHIND GREENTREE SECURITIES, U.S. STOCK BROKERAGE COMPANY,
HEADQUARTERED IN NEW YORK, OPERATED BY [REDACTED] 196-8256-5
GREENTREE SECURITIES IS UNDER INVESTIGATION BY U.S. SEC FOR
SECURITIES VIOLATIONS.

ON SEPTEMBER 22, 1987, R.E. [REDACTED]

Exec AD Adm.	
Exec AD Inv.	
Exec AD LES	
Asst. Dir.:	
Adm. Serv.	
Crim. Inv.	
Ident.	
Insp.	
Intell.	
Lab.	
Legal Coun.	
Off. Cong. & Public Affs.	
Rec. Mgnt.	
Tech. Servs.	
Training	
Off. Liaison & Int. Affs.	
Telephone Rm.	
Director's Sec'y	

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V-158

10 FEB 20 1988

RELAYED TO:

BON

16 JAN 13 1989

RF.

FEDERAL
TELECOMMUNICATIONS
UNIT

16 APR 88 09 23

INBOA 62 (#5198)

TEXT:
VZCZCPH0004

RR (H)

DF PH #0004 1062049

ZNR UUUUU

R 152035Z APR 88

FM PHILADELPHIA (196A-2296) (NSRA) (P)

TO DIRECTOR, FBI (ROUTINE)

BT

U N C L A S

ATTENTION: SUPERVISOR JAMES H. VAULES, JR. - FBIHQ, FINANCIAL
CRIME UNIT, WHITE COLLAR CRIME SECTION

SCAMMONIA; ITSP-RICO; OO: PHILADELPHIA

CAPTIONED UCO IS CURRENTLY TARGETING IRVING KOTT THROUGH PH
6803-CW, WHO HAS HAD NUMEROUS TELEPHONE CALLS WITH KOTT. PH
6803-CW HAS ALSO MET WITH MICHAEL KOTT AT GREENTREE SECURITIES IN
NEW YORK. PH 6803-CW HAS SCHEDULED TO MEET WITH IRVING KOTT,
MICHAEL KOTT, AND OTHERS AT GREENTREE SECURITIES HEADQUARTERS IN
NEW YORK CITY IN THE NEAR FUTURE. COOPERATING WITNESS WILL ENTER
INTO A DEAL WITH IRVING KOTT AND MICHAEL KOTT TO BEGIN PURCHASING
AND MARKETING NEW ISSUE STOCKS MARKETING BY GREENTREE SECURITIES.
COOPERATING WITNESS ANTICIPATED THAT AS MORE DEALS ARE WORKED

Adamski

DP

196-5256-5X1

6-1000

65 APR 17 1989

PAGE TWO DE PH 0004 UNCLAS

BETWEEN GREENTREE AND COOPERATING WITNESS'S COMPANY A CONFIDENCE WILL BE DEVELOPED BETWEEN COOPERATING WITNESS AND KOTT WHEREBY THE COOPERATING WITNESS WILL BE ABLE TO DISCUSS AND IDENTIFY ANY FRAUDULENT ACTIVITIES BEING CONDUCTED BY THE KOTTS AND GREENTREE SECURITIES. COOPERATING WITNESS WILL THEN ATTEMPT TO IDENTIFY FRAUDULENT ACTIVITIES SIMILAR TO THAT WHICH BROUGHT KOTT \$160 MILLION IN PROFITS FROM KOTT'S FRAUDULENT STOCK SALES IN THE NETHERLANDS. AT THAT TIME UCAS CAN BE INTRODUCED INTO THE SCHEME TO PRODUCE EVIDENCE OF THE FRAUD.

UCO IS ALSO TARGETING [REDACTED] WHO OPERATES FERNMAR INTERNATIONAL INSURANCE, ATLANTA, GA. [REDACTED] OPERATES INSURANCE COMPANIES IN ENGLAND AND HAS ATTEMPTED TO GET AN INSURANCE COMPANY KNOWN AS AMERICAN TRUST INSURANCE COMPANY LICENSED IN THE UNITED STATES THROUGH SEVERAL STATES AND THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS. IN ATTEMPTING TO GET THIS LICENSE, [REDACTED] HAS FURNISHED FINANCIAL STATEMENTS WHICH HAVE STOCKS LISTED AS ASSETS WORTH MILLIONS YET THESE STOCKS HAVE BEEN SHOWN TO BE WORTHLESS THROUGH SEC AUTHORITIES. [REDACTED] HAS BEEN TURNED DOWN FOR A LICENSE BY ALL WHO HAVE RECEIVED HIS SUBMISSION. THROUGH [REDACTED] UCA PLANS TO ARRANGE A MEETING WITH [REDACTED] TELLING HIM

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PAGE THREE DE PH 0004 UNCLAS

THAT UCA CAN FACILITATE GETTING AN INSURANCE LICENSE.

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NEGOTIATIONS WITH TEALE WILL TAKE PLACE, THE FRAUDULENT NATURE OF HIS FINANCIAL STATEMENT WILL BE IDENTIFIED, AND A WIRE FRAUD AND/OR MAIL FRAUD CASE WILL BE INVESTIGATED AGAINST TEALE.

UCO IS ALSO ABOUT TO ASSIST THE BOSTON AND TAMPA OFFICES OF THE FBI IN THEIR INVESTIGATIONS TARGETING DOMINION SAVINGS AND TRUST, DALLAS, TEXAS; AMERIBANK, CALIF.; TERRY HARPER AND NUMEROUS OTHERS WHO ARE INVOLVED IN A MULTI-MILLION DOLLAR FRAUD AGAINST THE FEDERAL GOVERNMENT. THESE PERSONS AND ENTITIES ARE INVOLVED IN PROVIDING FRAUDULENT PERSONAL FINANCIAL GUARANTEES TO CONTRACTORS WHO HAVE BEEN ABLE TO OBTAIN FEDERAL GOVERNMENT CONTRACTS. THE FINANCIAL GUARANTEES ARE PRESENTED BY THE CONTRACTORS IN LIEU OF PERFORMANCE BONDS ISSUED BY LEGITIMATE TREASURY LISTED INSURANCE COMPANIES. THIS PRACTICE IS ACCEPTABLE BY THE CONTRACT AWARDING AGENCIES ACCORDING TO FEDERAL GOVERNMENT REGULATIONS. IN FACT, THE FINANCIAL GUARANTEES ARE FULL OF FRAUDULENT ASSETS AND THE PERSONS PROVIDING THE GUARANTEES ARE WORTH WHAT THEY PRESENT ON THEIR FINANCIAL STATEMENTS. THIS PRACTICE HAS BEEN IDENTIFIED BY SOURCES BEING WORKED BY THE TAMPA AND BOSTON OFFICES. CAPTIONED UCO WILL TARGET THE PERSONS

PAGE FOUR DE PH 0004 UNCLAS

INVOLVED BY MEETING THE SUBJECTS AND GAINING THESE PERSONAL
FINANCIAL STATEMENTS AND IDENTIFYING THE FRAUDULENT NATURE OF
THESE STATEMENTS.

BT

#0004

NNNN

INBOX.42 (#5901)

TEXT:
VZCZCPH0021

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FEDERAL BUREAU
OF INVESTIGATION

RR HQ

DE PH #0021 2162321

ZNR UUUUU

R 032350Z AUG 88

FM FBI PHILADELPHIA (196A-2296) (NSRA) (P)

TO DIRECTOR FBI/ROUTINE/

LEGAL BONN (196A-241)/ROUTINE/

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BT

UNCLAS

CITE: //3620:4246//

SUBJECT: SCAMMONIA; FBW, MF, ITSP, OO: PHILADELPHIA.

RE PHILADELPHIA TELETYPE TO THE BUREAU, FEBRUARY 8, 1988,
LEGAT BONN TELETYPE TO THE BUREAU, JULY 27, 1988.

PHILADELPHIA SOURCES DISASSOCIATED THEMSELVES FROM IRVING
ROTT UPON ABSENCE OF INFORMATION REQUESTED FROM DUTCH AUTHORITIES
DURING JANUARY 27, 1988, TELEPHONE CALL OF DUTCH FEDERAL POLICE,
AND INVESTIGATOR [REDACTED] TO FBI PHILADELPHIA, AND AS
SET FORTH IN PHILADELPHIA TELETYPE TO LEGAT BONN, FEBRUARY 8,

196-8256-6

BON

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13 JAN 04 1989



PH FILE: 196A-2296, PAGE: 3, U N C L A S

[REDACTED] FORMERLY OF DEERFIELD BEACH, FLA. HE ADVISED THAT [REDACTED] ALSO OPERATED EQUITY FUND VENTURE, GREENTREE BROKERAGE INC. AND AMERICAN ASSURANCE COMPANY. ACCORDING TO [REDACTED] UCG WAS FORMED TO BE USED AS A FRONT FOR STOCK MANIPULATION AND VENTURE CAPITAL SCHEMES INVOLVING ITS PRINCIPALS AND OTHER INDIVIDUALS.

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[REDACTED] NOTED THAT [REDACTED] AND IRVING KOTT WERE DEVISING A SCHEME TO SELL \$20 MILLION WORTH OF AMERICAN ASSURANCE COMPANY STOCK IN EUROPE. ACCORDING TO [REDACTED] AAC WAS UNLICENCED AND THE VALUE OF ITS STOCK HAD BEEN ARTIFICIALLY GENERATED BY [REDACTED] KOTT IS A NOTORIOUS STOCK MANIPULATOR WHO CURRENTLY RESIDES IN CANADA AND IS SOUGHT BY DUTCH AUTHORITIES AS A FUGITIVE FOR HIS INVOLVEMENT IN A MAJOR FRAUD INVOLVING IN EXCESS OF \$160 MILLION.

PHILADELPHIA DETERMINED THAT [REDACTED] WERE CURRENTLY THE SUBJECTS OF AN ONGOING INVESTIGATION BY MIAMI IN CONJUNCTION WITH THE SECURITIES AND EXCHANGE COMMISSION (SEC) (MM FILE #196-3101). ACCORDING TO [REDACTED] WAS OFFERING \$150,000 TO FORMER FLORIDA GOVERNOR CLAUDE KIRK IN AN ATTEMPT TO CIRCUMVENT THE SEC'S INVESTIGATION OF HIS ACTIVITIES IN FLORIDA.

UPON RECEIPT OF THAT INFORMATION, [REDACTED] ALLEGATIONS WERE VIGOROUSLY PURSUED BY MIAMI AND PHILADELPHIA WITH FBIHQ COORDINATION. ON SEPTEMBER 18, LAST, A PHILADELPHIA UCA MET WITH [REDACTED] AT THE PHILADELPHIA AIRPORT IN A MEETING ARRANGED BY [REDACTED] AND OFFERED TO BE OF ASSISTANCE TO HIM IN HIS DEALINGS WITH THE SEC IN FLORIDA. AT THAT TIME [REDACTED] WAS ENROUTE TO

PH FILE: 196A-2298, PAGE: 4, U N C L A S

EUROPE TO PICK UP SEVERAL MILLION DOLLARS IN AMERICAN ASSURANCE COMPANY CERTIFICATES OF STOCK. SUBSEQUENTLY ON SEPTEMBER 24, LAST, [] AGREED IN CONSENSUALLY MONITORED TELCALLS WITH PHILADELPHIA'S UCA TO PAY THE UCA \$60,000 FOR HIS ASSISTANCE WITH SEC CONTACTS IN WASHINGTON, D.C., WHICH WOULD PRECLUDE THE SEC INQUIRY IN FLORIDA. [] AGREED TO DELIVER THE MONEY TO THE UCA WHEN HE RETURNED FROM EUROPE ON OCTOBER 4, LAST, HOWEVER, THE MEETING NEVER TOOK PLACE.

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BY TEL DATED NOVEMBER 7, LAST, MIAMI NOTIFIED PHILADELPHIA THAT JACALOW WAS NOW REPRESENTED BY AN ATTORNEY FROM CHICAGO AND HAD SPLIT WITH [] IN ADDITION, MIAMI INDICATED THAT [] WAS CLOSING THE OPERATION OF THE AMERICAN CAPITAL GROUP AND MIGHT BE RELOCATING FROM FLORIDA TO ANOTHER AREA.

THROUGH CONTACTS WITH NEWARK. PHILADELPHIA DETERMINED THAT [] ABI, WAS LOCATED IN NORTHERN NEW JERSEY IN TERRITORY WITHIN THE RESPONSIBILITY OF ITS FRANKLIN TOWNSHIP RA. ON NOVEMBER 10, LAST, PHILADELPHIA TELEPHONICALLY APPRISED SSRA [] FRANKLIN TOWNSHIP RA, OF [] ADMITTED EMBEZZLEMENT FROM ABI AND HIS EXPOSURE TO LOCAL CRIMINAL PROSECUTION IN MIDDLESEX TOWNSHIP, N.J. IN VIEW OF [] READINESS TO PLEA TO A FEDERAL CHARGE IN LIEU OF ~~BEING EXPOSED~~ TO LOCAL PROSECUTION, AN ARRANGEMENT WAS MADE TO HAVE A FRANKLIN TOWNSHIP RA SA PRESENT [] REQUEST TO THE UNITED STATES ATTORNEYS OFFICE IN NEWARK. THEREAFTER, PHILADELPHIA PERSONNEL AND [] MET WITH A NEWARK SA ON DECEMBER 7, LAST, TO INITIATE THAT ACTION.

PH FILE: 198A-220R, PAGE. 6, U N C L A S

NEWARK INDICATED THAT IT HAD NO INVESTIGATIVE INTEREST IN [] OR ADI AT THAT TIME AND A READINESS TO REPRESENT PHILADELPHIA'S INTERESTS IN [] IN PROCESSING HIS PLEA AGREEMENT WITH THE U.S. ATTORNEY'S OFFICE IN NEWARK.

HAVING ALREADY EMPLOYED [] TO FACILITATE MIAMI'S ONGOING INVESTIGATION OF [] JACALOW AND OTHER SUBJECTS, PHILADELPHIA DEVELOPED A WELL PLANNED UNDERCOVER SCENARIO WHICH IS BEING EMPLOYED IN A PHILADELPHIA GROUP II UCO TO TARGET SEVERAL SIGNIFICANT CON MEN WHO ARE KNOWN TO BE STOCK MANIPULATORS. THESE TARGETS ARE INDIVIDUALS AND/OR FIRMS WITH WHOM [] HAS AN ESTABLISHED RELATIONSHIP. PHILADELPHIA WAS WELL AWARE AT THAT TIME THAT CERTAIN OF ITS UCO TARGETS MIGHT CURRENTLY FACE EXPOSURE TO CRIMINAL PROSECUTION AS A RESULT OF THEIR PRESENT, PAST, OR FUTURE ACTS IN SEVERAL DIFFERENT U.S. AND FOREIGN JURISDICTIONS. INASMUCH AS THE TARGETS WERE WELL KNOWN CON MEN OF NATIONAL, IF NOT INTERNATIONAL STATURE, PHILADELPHIA BELIEVED AND CONTINUES TO BELIEVE THAT THEY REPRESENT VIABLE INVESTIGATIVE TARGETS FOR PHILADELPHIA AS WELL AS OTHER OFFICES. THIS APPROACH IS SIMILAR TO THAT EMPLOYED IN ORGANIZED CRIME MATTERS WHEREIN MULTIPLE DIVISIONS PURSUE INVESTIGATIONS WHICH FOCUS ON THE SAME CON TARGETS FOR DIFFERENT BUT RELATED ACTS. IN THAT REGARD, IT IS NOTEWORTHY THAT THE FRAUDULENT ACTS OF THOSE INVOLVED IN STOCK MANIPULATIONS CLEARLY AFFECT VICTIMS IN MULTIPLE JURISDICTIONS. FOR EXAMPLE, SUBJECTS IDENTIFIED BY NEWARK IN ITS INVESTIGATION OF ADI, I.E. KOTT, [] GREENTREE SECURITIES, INTER ALIA, CAN ALSO BE ASSOCIATED WITH THE MIAMI

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PH FILE: 198A-2298, PAGE: 8, U N C L A S

INVESTIGATION DESCRIBED ABOVE. SINCE MIAMI'S INVESTIGATION IS ONGOING AND NEWARK'S INVESTIGATION OF ABI HAS RECENTLY BEEN INITIATED, IT IS NOT CERTAIN THAT EITHER CASE WILL RESULT IN SUCCESSFUL AND MEANINGFUL PROSECUTION OF THE KEY TARGETS IN EITHER JURISDICTION.

THE TARGETS OF THE CAPTIONED UCO INCLUDE THE FOLLOWING INDIVIDUALS: IRVING KOTT, SUPRA: [REDACTED] A STOCK MANIPULATOR WHO IS CURRENTLY LIVING IN FRANCE AND ACTIVE IN THIS COUNTRY; GREENTREE SECURITIES OF NEW YORK, A FIRM OPERATED BY A RELATIVE OF KOTT WHICH IS ALSO ALLEGED TO HAVE HAD AN ASSOCIATION WITH ABI; AND THE UNITED CAPITAL GROUP AND ITS PRINCIPALS. [REDACTED] WAS INITIALLY SURFACED AS A POTENTIAL STOCK MANIPULATOR IN PHILADELPHIA'S GALLSTONE UCO, A HIGHLY SUCCESSFUL GROUP / UCO FAMILIAR TO BOTH NEWARK AND THE BUREAU. [REDACTED] HAS REQUESTED [REDACTED] TO ESTABLISH A TELEPHONE SALES OFFICE, I.E. [REDACTED] [REDACTED] IN THE UNITED STATES WHICH WOULD SELL STOCK AT INFLATED PRICES TO EUROPEANS.

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SUBSEQUENT TO ITS MEETING WITH PHILADELPHIA AND [REDACTED] IN EARLY DECEMBER, NEWARK AGENTS MET SEPARATELY WITH [REDACTED] WITHOUT THE INVOLVEMENT OF PHILADELPHIA PERSONNEL. DURING THE APPARENTLY EXTENSIVE DEBRIEFING OF [REDACTED] REGARDING NEWARK INTERESTS WHICH ENSUED, IT IS APPARENT THAT [REDACTED] ASSERTED THAT KOTT HAD SOME TYPE OF INVOLVEMENT IN A FRAUD ASSOCIATED WITH ABI. PHILADELPHIA IS UNAWARE OF THE EXACT NATURE OF THAT INVOLVEMENT AND WHETHER OR NOT KOTT'S ACTIONS DURING HIS ASSOCIATION WITH ABI CONSTITUTE ACTS FOR WHICH HE MAY BE FEDERALLY PROSECUTED. IN

PH FILE: 196A-2296, PAGE: 7, U N C L A S

VIEW OF THE CAPTIONED PHILADELPHIA INVESTIGATION AND MIAMI'S INVESTIGATIVE INTEREST IN THE INDIVIDUALS IDENTIFIED IN RENKTEL, NEWARK IS REQUESTED TO PROVIDE BOTH MIAMI AND PHILADELPHIA WITH A DETAILED ACCOUNT OF THE RESULTS OF ITS DEBRIEFING OF [REDACTED] IN CONNECTION WITH NEWARK'S ABI INVESTIGATION.

ON DECEMBER 22, LAST, NEWARK AND PHILADELPHIA SUPERVISORY AND SA PERSONNEL MET AT PHILADELPHIA TO DISCUSS THEIR MUTUAL INTEREST IN USING [REDACTED] IN FURTHERANCE OF THE INVESTIGATIVE INTERESTS IN BOTH DIVISIONS. AT THAT TIME, NEWARK PERSONNEL INDICATED THAT THEY HAD LEARNED THAT [REDACTED] WAS AN ACQUAINTANCE OF [REDACTED] OF NOVA-TECH. [REDACTED] IS ALLEGED TO BE A FRONT MAN FOR NEW JERSEY FINANCIER [REDACTED] AND IS SUSPECTED TO BE INVOLVED IN ILLEGAL ACTIVITIES IN ASSOCIATION WITH [REDACTED] PRIOR TO THAT MEETING, PHILADELPHIA WAS UNAWARE OF ANY CONNECTION BETWEEN [REDACTED] ACCORDING TO NEWARK PERSONNEL, [REDACTED] HAS NOT CLAIMED TO BE PERSONALLY ACQUAINTED WITH [REDACTED] HOWEVER, THEY OPINED THAT [REDACTED] COULD POSSIBLY BE OF ASSISTANCE TO THE NEWARK OFFICE IN AN INVESTIGATION OF THE ACTIVITIES OF [REDACTED] NEWARK REQUESTED PHILADELPHIA TO PROVIDE THEM UNFETTERED ACCESS TO [REDACTED] AT THAT TIME TO PURSUE AN INVESTIGATION OF [REDACTED] EFFECTIVELY. INASMUCH AS NEWARK INDICATED THAT NO SPECIFIC SCENARIO HAD BEEN CONSTRUCTED AT THAT TIME REGARDING THE EXACT MANNER IN WHICH [REDACTED] WOULD BE EMPLOYED, PHILADELPHIA INDICATED THAT IT WOULD CONTINUE TO USE [REDACTED] IN CONNECTION WITH THE CAPTIONED MATTER BUT WOULD MAKE HIM AVAILABLE TO ASSIST NEWARK WHENEVER DEEMED NECESSARY.

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PH FILE: 196A-2296, PAGE: 8, U N C L A S

ON DECEMBER 23, LAST, NEWARK REQUESTED PHILADELPHIA TO FOREGO ITS USE OF [] IN ITS ONGOING GROUP II INVESTIGATION IN FAVOR OF NEWARK'S USE OF [] IN ITS EFFORTS TO SUCCESSFULLY INVESTIGATE [] ALLEGED ILLEGAL ACTIVITIES IN NEW JERSEY. AS PREDICATION FOR ITS RECOMMENDATION, NEWARK INDICATED THAT THEY DID NOT BELIEVE PHILADELPHIA TARGETS WERE AS SIGNIFICANT AS [] IN VIEW OF THE FOLLOWING CONSIDERATIONS: KOTT, ALTHOUGH A FUGITIVE, IS CURRENTLY PENDING PROSECUTION IN THE NETHERLANDS, [] IS SOON TO BE INDICTED IN A NEWARK INVESTIGATION; AND [] IS THE TARGET OF AN ONGOING MIAMI INVESTIGATION WHICH APPEARS TO BE SUBSTANTIALLY RESOLVED. INASMUCH AS [] ASSOCIATION WITH [] APPEARED SOMEWHAT TENUOUS, PHILADELPHIA INDICATED THAT IT WOULD CONTINUE TO EMPLOY [] IN ITS UCO UNTIL SUCH TIME THAT NEWARK HAD DEVELOPED SPECIFIC PLANS FOR [] USE IN ITS INTENDED INVESTIGATION OF [] I.E. [] FORMULATED A UCO SCENARIO OR OTHER SPECIFIC COURSE OF ACTION REQUIRING [] ASSISTANCE. AT SUCH TIME AS NEWARK REQUIRED [] ASSISTANCE, PHILADELPHIA INDICATED THAT IT WOULD MAKE [] AVAILABLE TO ASSIST NEWARK. NEWARK INDICATED THAT THEY CONSIDERED [] TO BE A VERY SIGNIFICANT TARGET AND NOTED THAT THE U.S. ATTORNEY IN NEWARK WAS PERSONNALLY INTERESTED IN ITS EFFORTS TO INVESTIGATE [] ACTIVITIES AND SUPPORTED ITS USE OF [] IN FURTHERANCE OF THAT OBJECTIVE. ON DECEMBER 24, LAST NEWARK INDICATED THAT U.S. ATTORNEY SAMUEL ALITO HAD INDICATED THAT HE WOULD REQUIRE ANY PLEA AGREEMENT REACHED BY HIS OFFICE WITH [] TO REQUIRE THAT THE FOCUS OF [] COOPERATIVE

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PH FILE: 196A-2296, PAGE: 9, U N C L A S

EFFORTS WITH THE GOVERNMENT BE DIRECTED TOWARD SUPPORT OF THE [] INVESTIGATION. DURING THE WEEK OF DECEMBER 28, LAST, U.S. ATTORNEY ALITO PERSONALLY CONTACTED THE PHILADELPHIA OFFICE IN CONNECTION WITH THIS MATTER. HE INDICATED THAT HE BELIEVED AN INVESTIGATION OF THE ALLEGED ILLEGAL ACTIVITIES OF [] [] WAS OF SIGNIFICANT IMPORTANCE TO HIS DISTRICT. IN THAT REGARD, HE NOTED THAT [] MIGHT BE ABLE TO PROVIDE A MEANS TO FACILITATE NEWARK'S INVESTIGATION OF [] ACTIVITIES. IN VIEW OF THAT FACT, HE WISHED TO INSURE THAT ANY OPPORTUNITY WHICH [] MIGHT PRESENT TO FACILITATE THE INVESTIGATION OF [] WAS NOT FOREGONE BECAUSE OF [] PREOCCUPATION WITH OTHER MATTERS. MR. ALITO NOTED THAT HE BELIEVED THE ISSUE WAS ACTUALLY A MATTER OF LOGISTICS FOR THE FBI IN NEWARK AND PHILADELPHIA TO WORK OUT TO THEIR MUTUAL SATISFACTION. PHILADELPHIA ASSURED MR. ALITO THAT IT FULLY INTENDED TO MAKE [] AVAILABLE TO SUPPORT NEWARK'S INVESTIGATION OF [] WHEN THAT BECAME NECESSARY. HOWEVER, INASMUCH AS NEWARK WAS IN THE PROCESS OF DEVELOPING A SCENARIO IN WHICH [] MIGHT BE EMPLOYED AND HAD NOT REQUESTED PHILADELPHIA TO MAKE [] AVAILABLE TO PERFORM SPECIFIC INVESTIGATIVE ASSIGNMENTS FOR NEWARK ON AN IMMEDIATE BASIS, PHILADELPHIA WOULD CONTINUE TO EMPLOY [] IN ITS UCO. IN THAT REGARD, PHILADELPHIA NOTED THAT [] HAD ESTABLISHED CONTACT WITH KOTT AND RECORDED CONSENSUALLY MONITORED PHONE CONVERSATIONS. MR. ALITO WAS ASSURED THAT EVERY EFFORT WOULD BE MADE BY PHILADELPHIA TO EMPLOY [] SERVICES IN A MANNER WHICH WAS IN THE BEST INTEREST OF BOTH NEWARK AND PHILADELPHIA.

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PH FILE: 196A-2296, PAGE: 10, U N C L A S

BASED UPON PHILADELPHIA'S REQUEST FOR NEWARK TO PROVIDE ITS SPECIFIC PLAN FOR THE USE OF [] IN ITS [] INVESTIGATION, NEWARK PROVIDED RETEL WHICH OUTLINES NEWARK'S INTENT TO USE [] IN ITS ABI INVESTIGATION AS WELL AS A MEANS TO APPROACH [] THROUGH HIS ASSOCIATE [] RATHER THAN PROVIDING A SPECIFIC TIME FRAME REGARDING THE DATE OR DATES ON WHICH [] SERVICES WILL BE REQUIRED BY NEWARK TO SUPPORT ITS INVESTIGATIVE EFFORTS, NEWARK HAS INDICATED THAT IT HAS A NEED FOR TOTAL CONTROL OF [] ACTIVITIES AND INFERS THAT [] EFFORTS SHOULD BE DEVOTED SOLELY IN SUPPORT OF NEWARK'S INVESTIGATIVE EFFORTS.

PHILADELPHIA CONCURS WITH U.S. ATTORNEY ALITO THAT EVERY EFFORT SHOULD BE MADE TO PURSUE AVAILABLE INVESTIGATIVE OPPORTUNITIES TO ESTABLISH WHETHER [] HAS BEEN OR IS INVOLVED IN FRAUDULENT OR OTHERWISE CRIMINAL ACTIVITIES. MOREOVER, IT AGREES THAT [] MAY BE ABLE TO ASSIST NEWARK IN ITS INVESTIGATIVE EFFORTS THROUGH HIS RELATIONSHIP WITH [] ASSOCIATE [] HOWEVER, IT ALSO BELIEVES THAT THE RELATIVE IMPORTANCE OF [] TO NEWARK'S INVESTIGATION OF [] REMAINS TO BE DETERMINED. USE OF [] IN THE BRENNAN INVESTIGATION WOULD REQUIRE THE DEVELOPMENT OF A WELL PLANNED UNDERCOVER SCENARIO BY NEWARK IN ORDER TO INSURE [] SAFETY AND THE EFFECTIVENESS OF THE UCO. PHILADELPHIA IS UNAWARE OF THE EXACT STATUS OF NEWARK'S EFFORTS TO DEVELOP SUCH A SCENARIO AT THIS TIME. IN VIEW OF THAT FACT, IT BELIEVES NEWARK'S REQUEST FOR FULL ACCESS TO [] AND CONTROL OF HIS ACTIVITIES MAY BE SOMEWHAT

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PH FILE: 198A-2296, PAGE: 11, U N C L A S
PREMATURE.

IN VIEW OF THE STATUS OF TARGETS OF THE CAPTIONED UCO AS NATIONAL/INTERNATIONAL CON MEN INVOLVED IN FRAUDULENT STOCK TRANSACTIONS. PHILADELPHIA DOES NOT BELIEVE THAT THE CAPTIONED UCO SHOULD BE DISCONTINUED AT THIS TIME IN FAVOR OF NEWARK'S PROPOSED HISTORICAL INVESTIGATION OF ABI. IN THAT REGARD, IT IS NOT POSSIBLE TO ASSESS WHETHER THE APPROACH SUGGESTED BY NEWARK REPRESENTS A MORE EFFECTIVE ONE THAN THAT WHICH IS CURRENTLY BEING PURSUED BY PHILADELPHIA.

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PHILADELPHIA INTENDS TO UTILIZE [] PRIMARILY FOR INTRODUCTION OF ITS UCAS TO ITS TARGETS AND TO FACILITATE THE DEVELOPMENT OF SCENARIOS TO BE EMPLOYED BY THE UCAS AS THEY EXPAND THEIR RELATIONSHIP WITH THE TARGETS AND SEEK TO ACHIEVE THE ESTABLISHED INVESTIGATIVE OBJECTIVES FOR THE UCO. IN VIEW OF THAT APPROACH, PHILADELPHIA CONTINUES TO BELIEVE THAT ITS USE OF [] SHOULD NOT IMPEDE NEWARK IN ITS DEVELOPMENT OF EITHER A UCO SCENARIO OR DEVELOPMENT OF AN INVESTIGATIVE APPROACH TO CAPITALIZE ON [] ASSOCIATION WITH [] AS A MEANS TO ADDRESS [] ACTIVITIES.

NEWARK IS REQUESTED TO COORDINATE ITS NEEDS FOR [] ASSISTANCE WITH PHILADELPHIA'S NEWTOWN SQUARE RESIDENT AGENCY IN ORDER TO INSURE THAT THE MOST EFFECTIVE USE IS MADE OF [] AVAILABLE TIME AND CAPABILITIES. IN THAT REGARD, PHILADELPHIA REQUESTS TO BE ADVISED BY NEWARK OF ANY CONSIDERATION IT MAY HAVE TO USE [] IN AN UNDERCOVER SCENARIO INVOLVING THE TARGETS OF THE CAPTIONED CASE, OR PLANNED USE OF

PH FILE: 198A-2296, PAGE: 12, U N C L A S

IN A MANNER WHICH MIGHT JEOPARDIZE PHILADELPHIA'S ONGOING
UCO OR THE SAFETY OF ITS UCAS.

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FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1347683-0

Total Deleted Page(s) = 7
Page 48 ~ Referral/Consult;
Page 174 ~ Referral/Consult;
Page 175 ~ Referral/Consult;
Page 176 ~ Referral/Consult;
Page 275 ~ Referral/Consult;
Page 276 ~ Referral/Consult;
Page 277 ~ Referral/Consult;

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FM PHILADELPHIA (196A-NEW) (NSRA) (P)

TO DIRECTOR ROUTINE

BT

U N C L A S

ATTENTION: SUPERVISORY SPECIAL AGENT (SSA)

FINANCIAL CRIMES UNIT; UNDERCOVER AND SELECTIVE OPERATIONS UNIT.

SCAMMONIA; FBW; MF; ITSP; (OO: PHILADELPHIA);

FOR INFORMATION OF THE BUREAU, ON DECEMBER 22, 1987,
PHILADELPHIA'S UNDERCOVER REVIEW COMMITTEE, WITH CONCURRENCE OF
SAC, APPROVED A PROPOSAL TO ESTABLISH CAPTIONED MATTER AS
DIRECTLY FUNDED GROUP II UNDERCOVER OPERATION (UCO) IN AMOUNT OF

UCO PROPOSAL, WHICH IS BEING FURNISHED TO THE BUREAU UNDER
SEPARATE COVER, OUTLINES AN INVESTIGATION WHICH WILL BE DIRECTED
AT THE ACTIVITIES OF ILLEGAL STOCK MANIPULATORS IN THE UNITED
STATES. SPECIFIC INDIVIDUALS TO BE INVESTIGATED ARE:

(196A-NEW) (NSRA)

JH: Lps
(1) Lps

Note changes on page 2

Star
SN

TELETYPE
APPROVED: <i>WGD/KS</i>
TRANSMITTED: <i>115 2253</i> (no.)(time)
PER: <i>Qd</i> <i>12/23/87</i>

196A-22961
12/24/87

357/0009

12/23/87

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^PAGE TWO, PH 196A-NEW, U N C L A S

[] A FORMER SUBJECT OF INVESTIGATIONS BY THE NEW YORK OFFICE AND BOSTON, WHO IS NOW ALLEGEDLY OPERATING IN NEW YORK, MONTREAL, AND LONDON [] IS ALSO AN ALLEGED ASSOCIATE OF NEW YORK OC —FAMILIES); IRVING ^KCOTT, A CANADIAN LIVING IN MONTREAL, FOR WHOM THERE IS AN OUTSTANDING WARRANT ISSUED BY THE NETHERLANDS CHARGING COTT WITH STOCK FRAUDS IN EXCESS OF ONE HUNDRED SIXTY MILLION DOLLARS; AND OTHERS YET TO BE IDENTIFIED.

UCO HAS A COOPERATING WITNESS (CW), WHO HAS [] — [] AND ^KCOTT FOR SEVERAL YEARS, AND WHO WILL INTRODUCE UCAS TO THEM AS HIS ASSOCIATES. UCAS WITH NEGOTIATE — WITH [] AND ^KCOTT TO USE THEIR ARTIFICIALLY VALUED STOCK SHARES AS COLLATERAL FOR BANK LOANS TO UCO'S COMPANY. UCO'S COMPANY AND UCAS WILL INCUR NO CIVIL LIABILITY AT ANY STAGE OF UCO DEALINGS WITH SUBJECTS.

— UCAS WILL ALSO ENDEAVOR TO MEET WITH ^KCOTT IN THE UNITED STATES AND THEREAFTER EFFECT HIS PROVISIONAL ARREST PURSUANT TO AN OUTSTANDING REQUEST BY THE NETHERLANDS TO OFFICE OF INTERNATIONAL AFFAIRS, UNITED STATES DEPARTMENT OF JUSTICE.

UCO WILL, THROUGH CW'S INTRODUCTIONS, TARGET OTHER INDIVIDUALS INVOLVED IN STOCK MANIPULATION INCLUDING AUTHORS OF

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^PAGE THREE, PH 196A-NEW, U N C L A S

NEWSLETTERS WHO, FOR CASH FEES OR STOCK SHARES, PROMOTE THE
ARTIFICIAL INFLATION OF STOCK VALUES BY FURNISHING UNBASED AND
FRAUDULENT FINANCIAL ANALYSES AND REVIEWS.

THE BUREAU IS REQUESTED TO APPROVE [] DIRECT FUNDING
IN THIS MATTER. IF APPROVED, IT IS FURTHER REQUESTED THAT FUNDS
BE WIRE TRANSFERRED TO: FIDELITY BANK, WIRE TRANSFER DEPARTMENT,
BROAD AND WALNUT STREETS, PHILADELPHIA, PENNSYLVANIA, ATTENTION:
[] INDEPENDENCE OFFICE, SIXTH
AND MARKET STREETS, PHILADELPHIA, PENNSYLVANIA, ROUTING NUMBER
03100503.

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FEDERAL BUREAU OF INVESTIGATION

12/8/87

Date of transcription _____

Cooperative Witness (CW) furnished the following information.

When IRVING KOTT comes to New York it is usually unexpectedly and he rarely tells anyone that he is traveling to New York City (NYC). Once KOTT is in NYC he does make contact with people including CW at times. KOTT usually stays at the PLAZA ANTHONY HOTEL located at 61st Street off Madison Avenue. He is driven around New York by an ex New York police officer who drives him in a limousine. When he travels to NYC he uses the Eastern Shuttle which flies from Montreal to NYC. When KOTT comes into NYC he usually is accompanied by approximately ten other people and when they go to the PLAZA ANTHONY HOTEL all the employees at the PLAZA ANTHONY know who KOTT is. CW believes that KOTT is worth approximately \$63 million dollars. When KOTT eats in NYC he usually eats at Tre Scallini, located on East Side Park in NYC.

KOTT normally visits GREEN TREE SECURITIES located in an office building on the 22nd floor at 61 or 65 Broadway. KOTT has a front man that he uses in the States and his name is [redacted] [redacted] who is Pakistani who travels on a Greek Passport and who is currently in Luxembourg. NAZZERELLI has a residence in Vancouver and in North Jersey where he has some family.

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The chief executive officer of GREEN TREE SECURITIES is [redacted] [redacted] of IRVING KOTT. [redacted] [redacted] of GREEN TREE SECURITIES. [redacted] separated herself from GREEN TREE SECURITIES because the United States Securities Exchange Commission (SEC) was looking at [redacted] for possible violations and she wanted to avoid scrutiny of GREEN TREE SECURITIES by the SEC. [redacted] is still running the show at GREEN TREE SECURITIES because [redacted] [redacted] does not have the intellect to actually run a security brokerage company. IRVING KOTT has a daughter in Detroit who is married to a doctor. IRVING KOTT also has another son whose name is IAN who owns a chain of men's clothing stores in Montreal and East Canada. CW

Investigation on 12/4/87 at Neshaminy, Pennsylvania File # Philadelphia 196A-NEW (NSRA)
by SAs [redacted] acg Date dictated 12/7/87
2296

PH 196A-NEW

COOPERATIVE WITNESS

12/4/87

Continuation of FD-302 of _____

On _____

Page 2

was told by IRVING KOTT that he and his [redacted] were responsible for smuggling illegal drugs into Tampa, Florida. CW was told that by KOTT in August 1987. KOTT is married and his [redacted] and she lives with KOTT in Montreal, Canada. KOTT also has a mistress whose name is [redacted] and she lives approximately one block away from KOTT in Montreal, Canada, and travels with him whenever he comes to NYC. b6 b7C

CW has also met [First Name Unknown <FNU>] [redacted] (phonetic) who was KOTT's [redacted] for the stock brokerage company that KOTT was involved in in Amsterdam and who is currently working for KOTT in Montreal. CW believes that [redacted] is wanted by Amsterdam authorities and he currently resides in Montreal and has opened a [redacted]. KOTT has also met [redacted] who was also involved in KOTT's illegal dealings in Amsterdam. CW believes that [redacted] was arrested by Netherlands authorities but he was released.

CW knows that KOTT owns millions of shares of stock in a company known as INFERGENE (phonetic) located in San Francisco, which trades on the NASDEC Exchange and which began selling at \$3 or \$4 a share but is currently at \$3/8 per share.

CW has recently been in telephonic contact with [redacted] who is interested in opening a phone room in the Philadelphia area. CW expects to meet [redacted] within the next week or two in the Princeton area. CW expects to show [redacted] areas where he can set up a phone room and he will report back following that contact with [redacted].

CW also has learned that [redacted] will be coming from Europe into the United States in January. [redacted] is currently living in Cannes, France, and he has a main office in Milan. [redacted] has 13 phone rooms hyping stocks all over Europe including phone rooms in England and Dublin, Ireland.

CW has also learned that [redacted] has a phone room in Marbella, Spain, which is currently not active. [redacted] wants CW, [redacted] to reopen a phone room in Marbella, Spain, for him.

memorandum

DATE:

11/10/87

REPLY TO
ATTN OF:

SA [REDACTED]

SUBJECT:

SCAMMONIA

TO:

SAC, 196A-NEW (NSRA) (P)

1. PURPOSE: Authority is requested to establish a directly-funded Group II White Collar Crime Undercover Operation to be conducted in the Philadelphia Division by the Newtown Square Resident Agency for a period of six months at a total budgeted cost of [REDACTED] Proposed UCO title would be code named "SCAMMONIA" [REDACTED]

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2. OBJECTIVES OF THE UCO: The proposed UCO will be directed to investigate a fraudulent situation wherein a Bureau cooperating witness has had dealings with [REDACTED] IRVING KOTT, and others who have been involved in artificially raising the value of corporate stock, setting up "boiler room" operations and selling those stocks to unsuspecting clients. The cooperating witness is aware of the procedures followed in the past for such a fraud and the involvement that organized crime has had in this type of operation.

With the cooperation of the cooperating witness who has gained credibility as a person knowledgeable in stock manipulations, access to [REDACTED] KOTT, and others will be attained by UCA as an associate of the cooperating witness. KOTT already is a fugitive from The Netherlands for financial crimes and is currently living in Canada. Cooperating witness has met with KOTT on several occasions whereupon they talked about going into business together. Cooperating witness also stated that [REDACTED] and KOTT would furnish fraudulent securities, for an example, stocks with artificially stated value, to be used to bolster the assets in a financial statement in order that loans could be obtained on the basis of the financial statement. UCAs will attempt through contacts with [REDACTED] KOTT, and others to identify persons involved in this type of fraudulent activity and establish a situation whereby successful prosecution could be made of these subjects.

② 196A-NEW (NSRA)

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(REV. 1-80)
GSA FPMR (41 CFR) 101-11.6
5010-114

☆ GPO : 1985 O - 490-498 (9)

6. INFORMANT/SOURCES/COOPERATING WITNESSES:

The UCO intends using the cooperating witness, [] as the main source. [] has met with the targets of the UCO and is familiar with their fraudulent activities. Also, available, if necessary, are two symbolized informants [] both of whom have contributed extensively to prior UCOs worked by the NSRA. Both symbolized sources have been approved by the Bureau's Criminal Undercover Operations Review Committee for use in prior investigations and have made significant reliable contributions to those matters. Their proposed role in the UCO, as has been the case in the past, will be to lend credibility to the UCO by assisting with their expertise in specific business fields. Throughout their involvement, however, their participation will be carefully directed and monitored by the agents who operate them. No service contracts are required and no special authorizations are anticipated for these sources.

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7. RESOURCES AVAILABLE: The two NSRA agents will utilize the following false identities during the UCO:

SA []
SA []

Business fronts available to UCAs are: Westtown Limited and Flanders Group, Inc.

These companies have been legally incorporated in the Commonwealth of Pennsylvania and are available to UCAs as business reference for back-stopping purposes. The specific business purpose for each is financial consulting. No leases, contracts will be required for either these front organizations. It is anticipated that an exemption may be needed to open a checking account in order to pay bills resulting from the UCO.

PH 196A-NEW

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8. FINANCIAL CONSIDERATIONS: It is anticipated that the major expenses to be incurred during the UCO will be those connected with the travel, food, lodging, entertainment, vehicle rental, and operation, etc., of UCAs, cooperating witness, and subjects.

A directly-funded budget in the amount of for the period of six months is as follows:

ANTICIPATED EXPENSE

AMOUNT

- Telephone lines for use at UCAs' homes and for remote call forwarding; extensive long-distance use anticipated
- UCA travel, food, lodging, entertainment (anticipated as necessary when UCAs are required to meet with subjects)
- UC automobile rental (two vehicles - for UCA use. Confiscated cars will be obtained from the PH Division when they are available)
- UC vehicle expenses (gas, oil, etc.)

- Miscellaneous expenses (tolls, postal service, etc.)

500.00

TOTAL:

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9. GROUP I FEASIBILITY: There is a potential that this UCO will meet Bureau requirements for conversion to Group I status. This potential will be evaluated once the UCO is underway and results can be documented.

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10. U.S. ATTORNEY'S OPINION: Captioned Group II has been discussed with U.S. Attorney EDWARD DENNIS and Assistant U.S. Attorney (AUSA) [REDACTED] Eastern District of Pennsylvania (EDPA). USA DENNIS is committed to the undercover approach to sophisticated White Collar Crime and has pledged his support to provide experienced members of his staff to handle prosecution. USA DENNIS foresees no entrapment regarding captioned matter.

memorandum

DATE: 1/4/88
 REPLY TO
 ATTN OF: SA [REDACTED]
 SUBJECT: SCAMMONIA
 TO: SAC (196-NEW)

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Re: Memo of SA [REDACTED] 11/10/87 (attached).

On 12/22/87 the PH Undercover Review Committee (URC), consisting of ASACs MONTGOMERY and LEARY, SSAs [REDACTED] and SAs [REDACTED] met to discuss attached proposal. SSRA [REDACTED] and SA [REDACTED] case agent, appeared to explain the UCO.

I. BACKGROUND

SA [REDACTED] said the UCO was a spin-off from a previous NSRA UCO. He said the targets are well documented con men whose predisposition to WCC is known through available intelligence and through discussion with CW and two informants.

II. DISCUSSION

One target, IRVING KOTT, is a fugitive from the Netherlands who has avoided extradition because, as a Canadian citizen, residing in Canada, he is not susceptible to third country process. The UCO envisions luring KOTT to the U.S. after we obtain our own process for KOTT. Once apprehended, he would then be extradited directly to Holland.

SSA [REDACTED] said liability would be minimized because

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no stock would ever be sold. The UCO would go right up to the brink of selling stock and stop short. In that way no bogus paper generated by the UCO could land in the hands of the innocent public.

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SA [] explained that he anticipated acting as a UCA and acting as the bookkeeper for the UCO. Since there is no other accountant in NSRA and since the proposal could easily wind up as a time consuming Group I, it was felt that SA [] should play only one role, not two.

III. DELIBERATION

The URC agreed that the only exemption for this Group II proposal is the authorization to deposit appropriated funds in a commercial bank and to operate a checking account. The URC also found that:

- A. The investigative activity is warranted under AG Guidelines;
- B. The UCO appears to be an effective means of obtaining evidence based upon the analysis of previous investigations (see page 2, attached memo);
- C. The UCO will be conducted with minimal intrusion consistent with the need to collect evidence in a timely and effective manner;
- D. The utilization of CW and any informants will be consistent with AG Guidelines;
- E. There is no present expectation of sensitive circumstances or fiscal circumstances (AG Guidelines, paras. A and B) arising.

IV. RECOMMENDATION

The URC unanimously agreed to recommend that the SAC approve the Group II proposal as submitted with the caveat that the accountant for the proposal should not be an active UCA.

PH 196A-NEW

system. The customers which the "boiler room" operation would be selling to would be Europeans but the calls would come from the United States.

The cooperating witness has also met with IRVING KOTT who is a fugitive from The Netherlands for financial securities violations there and who is currently living in Canada. Though the fugitive status of KOTT has been confirmed by [] it is unknown why Canada has not extradited him to The Netherlands but the reasons may lie in the extradition treaty between Canada and The Netherlands.

5. MANPOWER: The UCO will use as its manpower pool two Special Agents in the NSRA who have a total of 39 years experience in the Bureau. Both have been closely associated with prior Group I and II UCOs in this division and have served in various UCA capacities in the past six and one half years. One has attended the Bureau's Undercover Seminar and one is an experienced accountant thoroughly familiar with UCO requirements in that area. SAs who will be assigned the UCO include:

SA [] will work as the primary UCA. SA [] will also act as the case accountant. Assignments in this matter will be of the highest priorities and once the case is underway, SA [] will be assigned to this case on a full-time basis.

SA [] will function as the administrative case agent and alternate UCA. Assignments in this matter will be of the highest priorities, however, his services will be available to other cases as needed.

3. PRIOR INVESTIGATION/CONVENTIONAL INVESTIGATIVE TECHNIQUES: Traditional methods of investigating cases of this type typically result in the identification of the fraudulent operation once money has been lost by unsuspecting investors resulting in the subjects having amassed millions of dollars in fraudulent profits. Also, the fraudulent operation usually has closed down so that the subjects can move to a different territory to continue their activity. Rarely are the organized crime ties uncovered and successful prosecution attained. Using an undercover scenario whereby the UCA will be aware of all the aspects of the organization and participants of a fraudulent operation prior to its inception, wire fraud, conspiracy, and mail fraud cases can be made without losses to unsuspecting investors. Also with an undercover operation there should be a significant reduction in the amount of agent work hours necessary to bring about a successful prosecution in a case of this type.

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4. BACKGROUND INFORMANTS/CRIME PROBLEM: According to the cooperating witness [] and IRVING KOTT have conducted fraudulent operations as explained above in Europe and the U.S. These operations if conducted in the United States would include Interstate Transportation of Stolen Property of Falsely Made, Forged, Altered Securities, Wire Fraud, Mail Fraud and other securities violations. With the undercover operation, there is a potential that Bank Fraud and Embezzlement and RICO cases also could be developed against the subjects.

Both [] and KOTT have met with the Bureau cooperating witness and they would like to expand their operations using the cooperating witness [] operation in the United States. [] has told cooperating witness that he would furnish some of the money needed to set up such an operation. [] who is from New York, has organized crime ties there, who are responsible for providing the artificially priced corporate stocks which would be sold by the []. The organized crime members share in the profits from the sales of these stocks. [] would like the cooperating witness to set up a telephone sales office in the Eastern District of Pennsylvania (EDPA) because he has had difficulty with the European telephone

that is not registered for sale with the Securities & Exchange Commission. But Uncle Sam's securities laws extend only as far as his borders. Here's what Bruckman did: Acting as a broker/dealer, he sold restricted stock to European dealers for, say, 40% of the U.S.-quoted price. The dealers marked up the shares—maybe to 60% of the U.S.-quoted price—and sold them to individuals. Restrictions on the shares could come off after nine months to two years overseas, and the shares resold in the U.S. markets. But if the company went to pot in the meantime, too bad for the European investor.

Although the Chartwell operation is now grounded (by action of Swiss and German authorities), Tommy Quinn is a dealmaker with alternatives. He was seen last year in New Mexico, where he was working on a deal to open greyhound racing on an Indian reservation. The racing may well be an outgrowth of his North American Bingo deal.

As we said earlier, Americans have a long history of fleecing European suckers. Heinz Gerlach, owner of Kapitalanlage-Informationszentrum GmbH, West Germany's semiofficial clearing agent for securities information, credits Americans with creating a force of international door-to-door retail securities salesmen 20 years ago. The salesmen first pushed investment funds, such as Investors Overseas Services. Then IOS fell apart. "Investment fund" became the word for losing money," Gerlach says. Legitimate funds found raising money practically impossible. Then a variety of other products were created for the salesmen to push. "Commodities" became a word for losing money, and then "options" became a word for losing money. Says Gerlach: "It will be the same for o-t-c."

Gerlach says Meyer Blinder of Blinder, Robinson & Co., patriarch of the wild and woolly Denver penny stock market, was the first to open in Germany and demonstrate that Germans could be persuaded to buy relatively unknown U.S. stocks. But Blinder was crushed by bad publicity resulting from a fraud prosecution later dismissed. The dismissal is being appealed by the public prosecutor.

Now Blinder associates are trying to set up an affiliate in London as part of what they claim will be a 24-hour, around-the-world o-t-c market. Blinder tried to open a London office once before, but his gamey reputation apparently proved too much for the British. This time around he has a proxy—an American named John Cox. Cox was once a supervisor of antifraud efforts at the NASD. Now he is a vice president at Blinder, Robinson, as well as special assistant to Meyer Blinder. Cox says he wants to underwrite small English and European companies.

Chartwell has vanished. Meyer Blinder has taken a low profile, but the pickings remain rich abroad. U.S. securities violators continue to fly around the world to dump their wares. Attempts to curb them remain

feeble. The Netherlands Finance Ministry, inexperienced in o-t-c supervision, is grappling with the problem of writing regulations that are flexible but tight—to slow the crooks without stifling genuine entrepreneurial capitalism.

The British have also been trying to figure out what to do about the transatlantic migration of con men. With the Amsterdam salesmen ringing up a lot of British pensioners, the U.K.'s outgoing minister for corporate and consumer affairs, Alex Fletcher, began calling on officials in The Hague to talk about international securities regulation. International boundaries pose a real problem.

Someone in one country sells worthless securities from a second country to someone in a third country. "So who prosecutes?" he asks. "Who is going to handle the case?"

Unfortunately, with the multitude of jurisdictions not only between countries but within countries—say from one Swiss canton or German state to another—any international coordination of effort would require a major commitment. And that doesn't even start to address the questions posed by different points of view on how much of what kind of securities regulation and enforcement there should be. Right now, in most cases officials can only allege fraud, and that, law enforcers say, is very difficult to prove with a speculative paper product.

In London, Neal Bruckman is under siege by a steady stream of lawyers and private detectives demanding their clients' money. Police cars, sirens blaring, recently rushed to Bruckman's offices in the pricey Mayfair section as Trafalgar employees threatened a private detective's photographer who was snapping photographs outside.

But the game goes on. They tell a tale about Tommy Quinn that reveals a lot about the ethics of the business and the quality of the merchandise. Quinn, it is said, learned that some of his salesmen were faking sales in order to claim commissions they hadn't earned. Was he furious? He simply shrugged. What was the difference, he reportedly said, as long as they bring in more money than they take out.



Intrig Kout in 1984
Man in Amsterdam

With the multitude of jurisdictions not only between countries but within countries—say from one Swiss canton or German state to another—any international coordination of effort would require a major commitment.

RETEL DESCRIBED NEWARK INVESTIGATION OF AMERICAN BIO
MATERIALS, INC. (ABI) AND REQUESTED NEWARK RECEIVE FULL USE OF AN
INDIVIDUAL CURRENTLY SERVING AS A COOPERATING WITNESS IN AN
ONGOING PHILADELPHIA GROUP II UNDERCOVER OPERATION (UCO) IN ORDER
TO EFFECTIVELY PURSUE THAT NEWARK INVESTIGATION AND OTHER TARGETS
OF SIGNIFICANCE IN THE NEWARK DIVISION. IN PROVIDING ITS
JUSTIFICATION FOR THE NOTED REQUEST, NEWARK INDICATED THAT IT WAS
NOT FULLY AWARE OF THE BASIS OR FOCUS OF PHILADELPHIA'S GROUP II
UCO. IN ORDER TO RESPOND TO THAT REQUEST AND PROVIDE SAC, NEWARK
AND THE BUREAU WITH ADDITIONAL BACKGROUND INFORMATION REGARDING
THIS MATTER, THE FOLLOWING INFORMATION IS BEING SET FORTH.

IN AUGUST, 1987, [REDACTED]

CONTACTED PHILADELPHIA THROUGH HIS ATTORNEY, WHO HAD PREVIOUSLY SERVED AS AN ASSISTANT UNITED STATES ATTORNEY IN THE EASTERN DISTRICT OF PENNSYLVANIA AND WAS FAMILIAR WITH PRIOR SUCCESSFUL PHILADELPHIA INVESTIGATIONS OF MAJOR NATIONAL AND INTERNATIONAL CON MEN. [REDACTED] REQUESTED A MEETING TO DISCUSS HIS KNOWLEDGE OF FINANCIAL CRIMES OF BOTH AN INTERSTATE AND INTERNATIONAL CHARACTER IN WHICH HE BELIEVED THAT THE FBI MIGHT HAVE AN INTEREST.

IN A SERIES OF CONTACTS, [REDACTED] OUTLINED HIS KNOWLEDGE OF THE ACTIVITIES OF A NUMBER OF WELL KNOWN CON MEN, CERTAIN OF WHOM HAVE BEEN THE SUBJECT OF INVESTIGATIONS IN PHILADELPHIA AND OTHER DIVISIONS. IN RETURN FOR HIS COOPERATION WITH THE FBI, [REDACTED] SOUGHT ASSURANCES THAT THE FBI WOULD ENDEAVOR TO ASSIST HIM IN [REDACTED]

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[REDACTED] AT THAT TIME, [REDACTED] INDICATED THAT HE BELIEVED THAT LOCAL AUTHORITIES IN MIDDLESEX TOWNSHIP, N.J., WERE PURSUING AN INVESTIGATION OF HIS EMBEZZLEMENT. [REDACTED] INDICATED HIS WILLINGNESS TO ENTER A GUILTY PLEA IN FEDERAL COURT IN NEW JERSEY TO CHARGES ASSOCIATED WITH HIS CRIMINAL ACTS IN THE EMBEZZLEMENT IF AN APPROPRIATE PLEA AGREEMENT COULD BE REACHED.

INITIALLY [REDACTED] PROVIDED INFORMATION REGARDING THE FORMATION OF A NEW PENNSYLVANIA CORPORATION DBA UNITED CAPITAL GROUP (UCG). THE FIRM WAS FORMED BY [REDACTED] AND GERALD

PH FILE: 196A-2296, PAGE: 3, U N C L A S

JACALOW, FORMERLY OF DEERFIELD BEACH, FLA. HE ADVISED THAT

[] AND JACALOW ALSO OPERATED EQUITY FUND VENTURE, GREENTREE
BROKERAGE INC. AND AMERICAN ASSURANCE COMPANY. ACCORDING TO
[] UCG WAS FORMED TO BE USED AS A FRONT FOR STOCK
MANIPULATION AND VENTURE CAPITAL SCHEMES INVOLVING ITS
PRINCIPALS AND OTHER INDIVIDUALS.

[] JACALOW AND IRVING KOTT WERE
DEVISING A SCHEME TO SELL \$20 MILLION WORTH OF AMERICAN ASSURANCE
COMPANY STOCK IN EUROPE. ACCORDING TO [] AAC WAS UNLICENCED
AND THE VALUE OF ITS STOCK HAD BEEN ARTIFICIALLY GENERATED BY
[] AND JACALOW. KOTT IS A NOTORIOUS STOCK MANIPULATOR WHO
CURRENTLY RESIDES IN CANADA AND IS SOUGHT BY DUTCH AUTHORITIES AS
A FUGITIVE FOR HIS INVOLVEMENT IN A MAJOR FRAUD INVOLVING IN
EXCESS OF \$150 MILLION.

PHILADELPHIA DETERMINED THAT [] AND JACALOW WERE

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[]
[] ACCORDING TO [] WAS OFFERING
\$150,000 TO FORMER FLORIDA GOVERNOR CLAUDE KIRK IN AN ATTEMPT TO
CIRCUMVENT THE SEC'S INVESTIGATION OF HIS ACTIVITIES IN FLORIDA.

UPON RECEIPT OF THAT INFORMATION, [] ALLEGATIONS
WERE VIGOROUSLY PURSUED BY MIAMI AND PHILADELPHIA WITH FBIHQ
COORDINATION. ON SEPTEMBER 18, LAST, A PHILADELPHIA UCA MET WITH
[] AT THE PHILADELPHIA AIRPORT IN A MEETING ARRANGED BY
[] AND OFFERED TO BE OF ASSISTANCE TO HIM IN HIS DEALINGS
WITH THE SEC IN FLORIDA. AT THAT TIME, [] WAS ENROUTE TO

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EUROPE TO PICK UP SEVERAL MILLION DOLLARS IN AMERICAN ASSURANCE COMPANY CERTIFICATES OF STOCK. SUBSEQUENTLY ON SEPTEMBER 24, LAST, [] AGREED IN CONSENSUALLY MONITORED TELCALLS WITH PHILADELPHIA'S UCA TO PAY THE UCA \$60,000 FOR HIS ASSISTANCE WITH SEC CONTACTS IN WASHINGTON, D.C., WHICH WOULD PRECLUDE THE SEC INQUIRY IN FLORIDA. [] AGREED TO DELIVER THE MONEY TO THE UCA WHEN HE RETURNED FROM EUROPE ON OCTOBER 4, LAST, HOWEVER, THE MEETING NEVER TOOK PLACE.

BY TEL DATED NOVEMBER 7, LAST, MIAMI NOTIFIED PHILADELPHIA THAT JACALOW WAS NOW REPRESENTED BY AN ATTORNEY FROM CHICAGO AND HAD SPLIT WITH [] IN ADDITION, MIAMI INDICATED THAT [] WAS CLOSING THE OPERATION OF THE AMERICAN CAPITAL GROUP AND MIGHT BE RELOCATING FROM FLORIDA TO ANOTHER AREA.

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THROUGH CONTACTS WITH NEWARK, PHILADELPHIA DETERMINED THAT [] WAS LOCATED IN NORTHERN NEW JERSEY IN TERRITORY WITHIN THE RESPONSIBILITY OF ITS FRANKLIN TOWNSHIP RA. ON NOVEMBER 10, LAST, PHILADELPHIA TELEPHONICALLY APPRISED SSRA

[] FRANKLIN TOWNSHIP RA, OF []

[] IN MIDDLESEX TOWNSHIP, N.J. IN VIEW OF []

[] THEREAFTER, PHILADELPHIA PERSONNEL AND [] MET WITH A NEWARK SA ON DECEMBER 7, LAST, TO INITIATE THAT ACTION.

NEWARK INDICATED THAT IT HAD NO INVESTIGATIVE INTEREST IN [] AT THAT TIME AND A READINESS TO REPRESENT PHILADELPHIA'S INTERESTS IN [] [] WITH THE U.S. ATTORNEY'S OFFICE IN NEWARK.

HAVING ALREADY EMPLOYED [] TO FACILITATE MIAMI'S ONGOING INVESTIGATION OF [] JACALOW AND OTHER SUBJECTS, PHILADELPHIA DEVELOPED A WELL PLANNED UNDERCOVER SCENARIO WHICH IS BEING EMPLOYED IN A PHILADELPHIA GROUP II UCO TO TARGET SEVERAL SIGNIFICANT CON MEN WHO ARE KNOWN TO BE STOCK MANIPULATORS. THESE TARGETS ARE INDIVIDUALS AND/OR FIRMS WITH WHOM [] HAS AN ESTABLISHED RELATIONSHIP. PHILADELPHIA WAS WELL AWARE AT THAT TIME THAT CERTAIN OF ITS UCO TARGETS MIGHT CURRENTLY FACE EXPOSURE TO CRIMINAL PROSECUTION AS A RESULT OF THEIR PRESENT, PAST, OR FUTURE ACTS IN SEVERAL DIFFERENT U.S. AND FOREIGN JURISDICTIONS. INASMUCH AS THE TARGETS WERE WELL KNOWN CON MEN OF NATIONAL, IF NOT INTERNATIONAL STATURE, PHILADELPHIA BELIEVED AND CONTINUES TO BELIEVE THAT THEY REPRESENT VIABLE INVESTIGATIVE TARGETS FOR PHILADELPHIA AS WELL AS OTHER OFFICES. THIS APPROACH IS SIMILIAR TO THAT EMPLOYED IN ORGANIZED CRIME MATTERS WHEREIN MULTIPLE DIVISIONS PURSUE INVESTIGATIONS WHICH FOCUS ON THE SAME LCN TARGETS FOR DIFFERENT BUT RELATED ACTS. IN THAT REGARD, IT IS NOTEWORTHY THAT THE FRAUDULENT ACTS OF THOSE INVOLVED IN STOCK MANIPULATIONS CLEARLY AFFECT VICTIMS IN MULTIPLE JURISDICTIONS. FOR EXAMPLE, SUBJECTS IDENTIFIED BY NEWARK IN ITS INVESTIGATION OF [] I.E. KOTT, [] GREENTREE SECURITIES, INTER ALIA, CAN ALSO BE ASSOCIATED WITH THE MIAMI

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INVESTIGATION DESCRIBED ABOVE. SINCE MIAMI'S INVESTIGATION IS ONGOING AND NEWARK'S INVESTIGATION OF ABI HAS RECENTLY BEEN INITIATED, IT IS NOT CERTAIN THAT EITHER CASE WILL RESULT IN SUCCESSFUL AND MEANINGFUL PROSECUTION OF THE KEY TARGETS IN EITHER JURISDICTION. 7

THE TARGETS OF THE CAPTIONED UCO INCLUDE THE FOLLOWING INDIVIDUALS: IRVING KOTT, SUPRA [REDACTED] A STOCK MANIPULATOR WHO IS CURRENTLY LIVING IN FRANCE AND ACTIVE IN THIS COUNTRY; GREENTREE SECURITIES OF NEW YORK, A FIRM OPERATED BY A RELATIVE OF KOTT WHICH IS ALSO ALLEGED TO HAVE HAD AN ASSOCIATION WITH ABI; AND THE UNITED CAPITAL GROUP AND ITS PRINCIPALS. [REDACTED] WAS INITIALLY SURFACED AS A POTENTIAL STOCK MANIPULATOR IN PHILADELPHIA'S GALLSTONE UCO, A HIGHLY SUCCESSFUL GROUP I UCO FAMILIAR TO BOTH NEWARK AND THE BUREAU. QUINN HAS REQUESTED

[REDACTED]
[REDACTED] IN THE UNITED STATES WHICH WOULD SELL STOCK AT INFLATED PRICES TO EUROPEANS.

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SUBSEQUENT TO ITS MEETING WITH PHILADELPHIA AND [REDACTED] IN EARLY DECEMBER, NEWARK AGENTS MET SEPARATELY WITH [REDACTED] WITHOUT THE INVOLVEMENT OF PHILADELPHIA PERSONNEL. DURING THE APPARENTLY EXTENSIVE DEBRIEFING OF MACKAY REGARDING NEWARK INTERESTS WHICH ENSUED, IT IS APPARENT THAT [REDACTED] ASSERTED THAT KOTT HAD SOME TYPE OF INVOLVEMENT IN A FRAUD ASSOCIATED WITH ABI. PHILADELPHIA IS UNAWARE OF THE EXACT NATURE OF THAT INVOLVEMENT AND WHETHER OR NOT KOTT'S ACTIONS DURING HIS ASSOCIATION WITH ABI CONSTITUTE ACTS FOR WHICH HE MAY BE FEDERALLY PROSECUTED. IN

PH FILE: 196A-2296, PAGE: 7, U N C L A S

VIEW OF THE CAPTIONED PHILADELPHIA INVESTIGATION AND MIAMI'S INVESTIGATIVE INTEREST IN THE INDIVIDUALS IDENTIFIED IN RENKTEL, NEWARK IS REQUESTED TO PROVIDE BOTH MIAMI AND PHILADELPHIA WITH A DETAILED ACCOUNT OF THE RESULTS OF ITS DEBRIEFING OF [] IN CONNECTION WITH NEWARK'S ABI INVESTIGATION.

ON DECEMBER 22, LAST, NEWARK AND PHILADELPHIA SUPERVISORY AND SA PERSONNEL MET AT PHILADELPHIA TO DISCUSS THEIR MUTUAL INTEREST IN USING [] IN FURTHERANCE OF THE INVESTIGATIVE INTERESTS IN BOTH DIVISIONS. AT THAT TIME, NEWARK PERSONNEL INDICATED THAT THEY HAD LEARNED THAT [] WAS AN ACQUAINTANCE OF [] OF NOVA-TECH [] IS ALLEGED TO BE A FRONT MAN FOR NEW JERSEY FINANCIER [] AND IS SUSPECTED TO BE INVOLVED IN ILLEGAL ACTIVITIES IN ASSOCIATION WITH BRENNAN. PRIOR TO THAT MEETING, PHILADELPHIA WAS UNAWARE OF ANY CONNECTION BETWEEN MACKAY AND [] ACCORDING TO NEWARK PERSONNEL, [] HAS NOT CLAIMED TO BE PERSONALLY ACQUAINTED WITH [] HOWEVER, THEY OPINED THAT [] COULD POSSIBLY BE OF ASSISTANCE TO THE NEWARK OFFICE IN AN INVESTIGATION OF THE ACTIVITIES OF [] NEWARK REQUESTED PHILADELPHIA TO PROVIDE THEM UNFETTERED ACCESS TO [] AT THAT TIME TO PURSUE AN INVESTIGATION OF BRENNAN EFFECTIVELY. INASMUCH AS NEWARK INDICATED THAT NO SPECIFIC SCENARIO HAD BEEN CONSTRUCTED AT THAT TIME REGARDING THE EXACT MANNER IN WHICH [] WOULD BE EMPLOYED, PHILADELPHIA INDICATED THAT IT WOULD CONTINUE TO USE [] IN CONNECTION WITH THE CAPTIONED MATTER BUT WOULD MAKE HIM AVAILABLE TO ASSIST NEWARK WHENEVER DEEMED NECESSARY.

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PH FILE: 196A-2296, PAGE: 8, U N C L A S

ON DECEMBER 23, LAST, NEWARK REQUESTED PHILADELPHIA TO FOREGO ITS USE OF [] IN ITS ONGOING GROUP II INVESTIGATION IN FAVOR OF NEWARK'S USE OF [] IN ITS EFFORTS TO SUCCESSFULLY INVESTIGATE [] ALLEGED ILLEGAL ACTIVITIES IN NEW JERSEY. AS PREDICATION FOR ITS RECOMMENDATION, NEWARK INDICATED THAT THEY DID NOT BELIEVE PHILADELPHIA TARGETS WERE AS SIGNIFICANT AS [] IN VIEW OF THE FOLLOWING CONSIDERATIONS: KOTT, ALTHOUGH A FUGITIVE, IS CURRENTLY PENDING PROSECUTION IN THE NETHERLANDS, [] IS SOON TO BE INDICTED IN A NEWARK INVESTIGATION; AND [] IS THE TARGET OF AN ONGOING MIAMI INVESTIGATION WHICH APPEARS TO BE SUBSTANTIALLY RESOLVED. INASMUCH AS [] ASSOCIATION WITH [] APPEARED SOMEWHAT TENUOUS, PHILADELPHIA INDICATED THAT IT WOULD CONTINUE TO EMPLOY [] IN ITS UCO UNTIL SUCH TIME THAT NEWARK HAD DEVELOPED SPECIFIC PLANS FOR [] USE IN ITS INTENDED INVESTIGATION OF [] I.E. FORMULATED A UCO SCENARIO OR OTHER SPECIFIC COURSE OF ACTION REQUIRING [] ASSISTANCE. AT SUCH TIME AS NEWARK REQUIRED [] ASSISTANCE, PHILADELPHIA INDICATED THAT IT WOULD MAKE [] AVAILABLE TO ASSIST NEWARK. NEWARK INDICATED THAT THEY CONSIDERED [] TO BE A VERY SIGNIFICANT TARGET AND NOTED THAT THE U.S. ATTORNEY IN NEWARK WAS PERSONNALLY INTERESTED IN ITS EFFORTS TO INVESTIGATE [] ACTIVITIES AND SUPPORTED ITS USE OF [] IN FURTHERANCE OF THAT OBJECTIVE. ON DECEMBER 24, LAST NEWARK INDICATED THAT U.S. ATTORNEY SAMUEL ALITO HAD INDICATED THAT HE WOULD REQUIRE ANY PLEA AGREEMENT REACHED BY HIS OFFICE WITH [] TO REQUIRE THAT THE FOCUS OF [] COOPERATIVE

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PH FILE: 196A-2296, PAGE: 9, U N C L A S

EFFORTS WITH THE GOVERNMENT BE DIRECTED TOWARD SUPPORT OF THE

[] INVESTIGATION. DURING THE WEEK OF DECEMBER 28, LAST, U.S. ATTORNEY ALITO PERSONALLY CONTACTED THE PHILADELPHIA OFFICE IN CONNECTION WITH THIS MATTER. HE INDICATED THAT HE BELIEVED AN INVESTIGATION OF THE ALLEGED ILLEGAL ACTIVITIES OF []

[] WAS OF SIGNIFICANT IMPORTANCE TO HIS DISTRICT. IN THAT REGARD, HE NOTED THAT [] MIGHT BE ABLE TO PROVIDE A MEANS TO FACILITATE NEWARK'S INVESTIGATION OF [] ACTIVITIES. IN VIEW OF THAT FACT, HE WISHED TO INSURE THAT ANY OPPORTUNITY WHICH [] MIGHT PRESENT TO FACILITATE THE INVESTIGATION OF []

WAS NOT FOREGONE BECAUSE OF [] PREOCCUPATION WITH OTHER MATTERS. [] NOTED THAT HE BELIEVED THE ISSUE WAS ACTUALLY A MATTER OF LOGISTICS FOR THE FBI IN NEWARK AND PHILADELPHIA TO WORK OUT TO THEIR MUTUAL SATISFACTION. PHILADELPHIA ASSURED MR.

[] THAT IT FULLY INTENDED TO MAKE [] AVAILABLE TO SUPPORT NEWARK'S INVESTIGATION OF [] WHEN THAT BECAME NECESSARY.

HOWEVER, INASMUCH AS NEWARK WAS IN THE PROCESS OF DEVELOPING A SCENARIO IN WHICH [] MIGHT BE EMPLOYED AND HAD NOT REQUESTED PHILADELPHIA TO MAKE [] AVAILABLE TO PERFORM SPECIFIC INVESTIGATIVE ASSIGNMENTS FOR NEWARK ON AN IMMEDIATE BASIS,

PHILADELPHIA WOULD CONTINUE TO EMPLOY [] IN ITS UCO. IN THAT REGARD, PHILADELPHIA NOTED THAT [] HAD ESTABLISHED CONTACT WITH KOTT AND RECORDED CONSENSUALLY MONITORED PHONE

CONVERSATIONS. [] WAS ASSURED THAT EVERY EFFORT WOULD BE MADE BY PHILADELPHIA TO EMPLOY [] SERVICES IN A MANNER WHICH WAS IN THE BEST INTEREST OF BOTH NEWARK AND PHILADELPHIA.

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BASED UPON PHILADELPHIA'S REQUEST FOR NEWARK TO PROVIDE ITS SPECIFIC PLAN FOR THE USE OF [] IN ITS [] INVESTIGATION, NEWARK PROVIDED RETEL WHICH OUTLINES NEWARK'S INTENT TO USE [] IN ITS ABI INVESTIGATION AS WELL AS A MEANS TO APPROACH [] THROUGH HIS ASSOCIATE [] RATHER THAN PROVIDING A SPECIFIC TIME FRAME REGARDING THE DATE OR DATES ON WHICH [] SERVICES WILL BE REQUIRED BY NEWARK TO SUPPORT ITS INVESTIGATIVE EFFORTS, NEWARK HAS INDICATED THAT IT HAS A NEED FOR TOTAL CONTROL OF [] ACTIVITIES AND INFERS THAT [] EFFORTS SHOULD BE DEVOTED SOLELY IN SUPPORT OF NEWARK'S INVESTIGATIVE EFFORTS.

PHILADELPHIA CONCURS WITH U.S. ATTORNEY ALITO THAT EVERY EFFORT SHOULD BE MADE TO PURSUE AVAILABLE INVESTIGATIVE OPPORTUNITIES TO ESTABLISH WHETHER [] HAS BEEN OR IS INVOLVED IN FRAUDULENT OR OTHERWISE CRIMINAL ACTIVITIES. MOREOVER, IT AGREES THAT [] MAY BE ABLE TO ASSIST NEWARK IN ITS INVESTIGATIVE EFFORTS THROUGH HIS RELATIONSHIP WITH [] ASSOCIATE [] HOWEVER, IT ALSO BELIEVES THAT THE RELATIVE IMPORTANCE OF [] TO NEWARK'S INVESTIGATION OF [] REMAINS TO BE DETERMINED. USE OF [] IN THE [] INVESTIGATION WOULD REQUIRE THE DEVELOPMENT OF A WELL PLANNED UNDERCOVER SCENARIO BY NEWARK IN ORDER TO INSURE [] SAFETY AND THE EFFECTIVENESS OF THE UCO. PHILADELPHIA IS UNAWARE OF THE EXACT STATUS OF NEWARK'S EFFORTS TO DEVELOP SUCH A SCENARIO AT THIS TIME. IN VIEW OF THAT FACT, IT BELIEVES NEWARK'S REQUEST FOR FULL ACCESS TO [] AND CONTROL OF HIS ACTIVITIES MAY BE SOMEWHAT

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PH FILE: 196A-2296, PAGE: 11, U N C L A S

PREMATURE.

IN VIEW OF THE STATUS OF TARGETS OF THE CAPTIONED UCO AS NATIONAL/INTERNATIONAL CON MEN INVOLVED IN FRAUDULENT STOCK TRANSACTIONS, PHILADELPHIA DOES NOT BELIEVE THAT THE CAPTIONED UCO SHOULD BE DISCONTINUED AT THIS TIME IN FAVOR OF NEWARK'S PROPOSED HISTORICAL INVESTIGATION OF ABI. IN THAT REGARD, IT IS NOT POSSIBLE TO ASSESS WHETHER THE APPROACH SUGGESTED BY NEWARK REPRESENTS A MORE EFFECTIVE ONE THAN THAT WHICH IS CURRENTLY BEING PURSUED BY PHILADELPHIA.

PHILADELPHIA INTENDS TO UTILIZE [] PRIMARILY FOR INTRODUCTION OF ITS UCAS TO ITS TARGETS AND TO FACILITATE THE DEVELOPMENT OF SCENARIOS TO BE EMPLOYED BY THE UCAS AS THEY EXPAND THEIR RELATIONSHIP WITH THE TARGETS AND SEEK TO ACHIEVE THE ESTABLISHED INVESTIGATIVE OBJECTIVES FOR THE UCO. IN VIEW OF THAT APPROACH, PHILADELPHIA CONTINUES TO BELIEVE THAT ITS USE OF [] SHOULD NOT IMPEDE NEWARK IN ITS DEVELOPMENT OF EITHER A UCO SCENARIO OR DEVELOPMENT OF AN INVESTIGATIVE APPROACH TO CAPITALIZE ON [] ASSOCIATION WITH [] AS A MEANS TO ADDRESS [] ACTIVITIES.

NEWARK IS REQUESTED TO COORDINATE ITS NEEDS FOR [] ASSISTANCE WITH PHILADELPHIA'S NEWTOWN SQUARE RESIDENT AGENCY IN ORDER TO INSURE THAT THE MOST EFFECTIVE USE IS MADE OF [] AVAILABLE TIME AND CAPABILITIES. IN THAT REGARD, PHILADELPHIA REQUESTS TO BE ADVISED BY NEWARK OF ANY CONSIDERATION IT MAY HAVE TO USE [] IN AN UNDERCOVER SCENARIO INVOLVING THE TARGETS OF THE CAPTIONED CASE, OR PLANNED USE OF

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PH FILE: 196A-2296, PAGE: 12, U N C L A S

IN A MANNER WHICH MIGHT JEOPARDIZE PHILADELPHIA'S ONGOING
UCO OR THE SAFETY OF ITS UCAS.

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FEDERAL BUREAU OF INVESTIGATION

1/13/88

b6
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Date of transcription _____

CONFIDENTIAL SOURCE advised that he is familiar with IRVING KOTT and with KOTT'S reputation in international financial matters. SOURCE advised that he is also aware that KOTT made a "large score" in Europe in the past two years and that he has legal problems, possibly in the Netherlands.

SOURCE advised that while he is not personally acquainted with KOTT, he has a very close personal associate, one [redacted] a Pakistani, who is intimately acquainted with KOTT.

SOURCE advised that he would make inquiries, through [redacted] in an effort to establish contact with KOTT and arrange for a personal meeting with KOTT in the United States.

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AK

1/4/88

Newtown Square, Pa.

PH 196A-2296 (NSRA)

Investigation on _____ at _____ File # _____

SA [redacted] :nmn

1/7/88

by _____ Date dictated _____

FEDERAL BUREAU OF INVESTIGATION

1/14/88

Date of transcription _____

At approximately 9:55 AM, a consensually monitored and recorded telephone call was placed to telephone number [redacted] from telephone number [redacted] connecting CONFIDENTIAL SOURCE with an unknown female. SOURCE asked for MR. KOTT and was asked by the unknown female to call telephone number [redacted] and to ask for a [redacted] (phonetic). The unknown female then changed her mind and asked SOURCE to wait for someone to return the call to him. SOURCE then furnished the unknown female with telephone number [redacted] as the number where he could be reached for the next hour.

Investigation on 1/6/88 at Newtown Square, Pa. File # PH 196A-2296 (NSRA)
by SA [redacted] :nmn Date dictated 1/12/88

1

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/7/88

At approximately 4:10 p.m. a consensually monitored and recorded telephone call was placed from telephone number [] to telephone number [] connecting SOURCE with IRVING KOTT.

SOURCE told KOTT that he had an associate, one [] from Dusseldorf who he wanted to have call KOTT. SOURCE explained to KOTT that [] represented a European insurance group with a large pension plan which it would like to place in the stock market. KOTT indicated that he was interested and agreed that SOURCE would receive a commission if such was forthcoming. KOTT told SOURCE that as long as the deal was on the up and up it would be no problem. SOURCE told KOTT that [] would call him the following day.

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Investigation on 1/5/88 at Newtown Square, Pennsylvania File # Philadelphia 196A-2296(NSRA)
by SA [] acg Date dictated 1/6/88

FEDERAL BUREAU OF INVESTIGATION

1/21/88

Date of transcription _____

CONFIDENTIAL SOURCE advised that at approximately 2:30 PM, he had spoken to [redacted] at telephone number [redacted] while he, SOURCE, was in the Miami, Fla., area. He advised that he made an appointment to meet with [redacted] at 11:30 AM, on January 14, 1988, for the purpose of a discussion preliminary to a follow-up meeting with [redacted] IRVING KOTT.

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ATC

Investigation on 1/12/88 at Newtown Square, Pa. PH 196A-2296 (NSRA)
by SA [redacted] :nmn Date dictated 1/15/88

FEDERAL BUREAU OF INVESTIGATION

1/21/88

b6
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Date of transcription _____

At approximately 12:40 PM, a consensually monitored and recorded telephone call was placed from telephone [] to telephone [] connecting CONFIDENTIAL SOURCE with an unknown female. SOURCE asked for IRVING KOTT and was advised that KOTT could be reached at telephone number []. SOURCE reiterated that he desired to speak to IRVING KOTT and the unknown female advised that KOTT'S [] could be reached at this number and that he could furnish SOURCE with the telephone number for IRVING KOTT.

1/11/88

Newtown Square, Pa.

PH 196A-2296 (NSRA)

Investigation on _____ at _____ File # _____

SA []

nmn

1/15/88

by _____ Date dictated _____

FEDERAL BUREAU OF INVESTIGATION

1/25/88

Date of transcription _____

CONFIDENTIAL SOURCE advised that he met with [] on January 14, 1988, in [] office at GREENTREE SECURITIES, INC, Boca Raton, Fla. This meeting took place following arrangements made for it by [] IRVING KOTT. SOURCE advised that he and [] explored several business opportunity possibilities, but specifically discussed a need of some principals SOURCE represents to re-invest approximately 15 million dollars in German marks in the U.S. stock market. SOURCE advised that [] was most receptive to these discussions, and assured SOURCE that he would relay SOURCE'S needs to his father.

SOURCE advised that he told [] he would send [] a non-disclosure, non-circumvention agreement for signature by him and []. He told [] that he would return to the United States from Dusseldorf, West Germany in the next three to four weeks with his German principals, at which time he would expect to be able to meet with IRVING KOTT personally inasmuch as IRVING KOTT is the individual to whom SOURCE was referred. He advised [] that his German principals had an itinerary in North America which included a stop-over in Philadelphia, Pa., and, because of scrutiny by competitors, it would not be possible for his principals to deviate from this itinerary without arousing the suspicion of competitors.

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SOURCE advised [] that he was leaving for Germany in the next few days, and would be in touch with him and his father by telephone or facsimile.

Investigation on 1/15/88 at Newtown Square, Pa. File # PH 196A-2296 (NSRA)
by SA [] nm Date dictated 1/21/88

FEDERAL BUREAU OF INVESTIGATION

1/21/88

Date of transcription _____

At approximately 12:45 PM, a consensually monitored and recorded telephone call was placed from telephone [] to telephone [] connecting CONFIDENTIAL SOURCE with an unknown female at GREENTREE SECURITIES. SOURCE asked for [] and was advised that [] was tied up and would return a call to SOURCE. SOURCE left a number where he could be reached with the unknown female and asked that [] be told that SOURCE was attempting reach IRVING KOTT for business in Asia and that he and IRVING KOTT had mutual friends going back approximately 20 years.

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Investigation on 1/11/88 at Newtown Square, Pa. File # PH 196A-2296 (NSRA)
by SA [] :nmn Date dictated 1/15/88

SOURCE

12/15/87

3

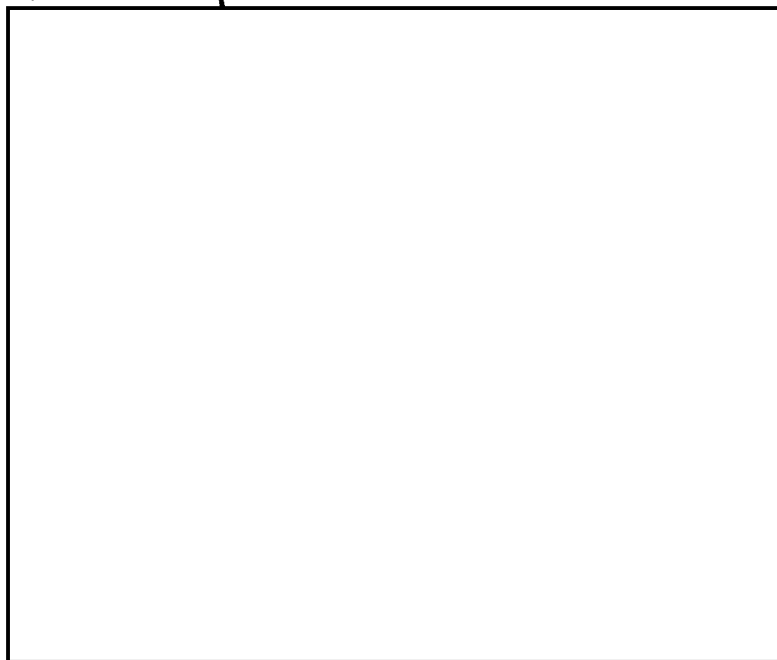
Continuation of FD-302 of _____, On _____, Page _____

SOURCE furnished the following names of persons with whom he is associated with and their telephone numbers:

IRVING KOTT

514-281-1013 (office)
514-937-4696 (townhouse)
514-228-2781 (country home)
514-228-2775 (country home)
101 Sherbert West
20th Floor
Montreal, Canada
(office address)

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032/0006

FM SAC, PHILADELPHIA (196A-2296) (NSRA) (P)
TO DIRECTOR, FBI (Priority) *done*
SAC, NEWARK (196-2695)

SAC, MIAMI (196B-3101)

BT

U N C L A S

ATTENTION: (FBIHQ) SSA - FINANCIAL CRIMES
UNIT

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SCAMMONIA; FRAUD BY WIRE; MAIL FRAUD; ITSP; OO: PHILADELPHIA

RE NEWARK TELETYPE TO BUREAU, JANUARY 1, 1988 AND
PHILADELPHIA TELETYPE TO BUREAU, JANUARY 13, 1988; PHILADELPHIA
(ASAC EDWARD R. LEARY) TELEPHONE CALL TO NEWARK, JANUARY 15,
1988.

IN ACCORDANCE WITH AN AGREEMENT WITH NEWARK AND IN ORDER TO
FACILITATE THE BEST POSSIBLE OPPORTUNITY FOR NEWARK TO SUCCEED IN
THE PURSUIT OF ITS INVESTIGATION OF PHILADELPHIA

① 196A-2296
1- 137A-10382

SMP
NSRA:jlv
(2) *SW*

196-2296-24

NSRA	
<u>TELETYPE</u>	
APPROVED: <i>WGD/SMP/jlv</i>	
TRANSMITTED: 0006 1925 (no.)(time)	
PER: <i>POS</i>	

SEARCHED _____
SERIALIZED *st*
INDEXED _____
FILED *st*

^PAGE TWO PH 196A-2296 UNCLAS

IS RELINQUISHING CONTROL OF COOPERATING WITNESS [REDACTED]
EFFECTIVE JANUARY 28, 1988.

INASMUCH AS [REDACTED] WAS INSTRUMENTAL IN INTRODUCING ANOTHER
PHILADELPHIA SOURCE AND UNDERCOVER AGENT TO IRVING KOTT, A TARGET
OF CAPTIONED UNDERCOVER OPERATION, PHILADELPHIA MAY REQUIRE
"BACKSTOPPING" SUPPORT FROM [REDACTED] IN THE FUTURE. ANY SUCH
REQUEST WILL BE COORDINATED THROUGH THE NEWARK DIVISION.

NEWARK IS REQUESTED TO APPRISE BOTH PHILADELPHIA AND MIAMI
OF ANY COVERT APPROACHES NEWARK MAY DEVISE WHICH INCLUDES
PREVIOUSLY IDENTIFIED PHILADELPHIA AND MIAMI TARGETS, IRVING
KOTT, [REDACTED] GERALD JACALOW, AND [REDACTED] TO AVOID
COMPROMISE OF OTHER SOURCES AND JEOPARDY TO UNDERCOVER AGENTS.
BT

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OUTBOX.1 (#1212)

TO: HQ2 @ EMH2, NK @ EMH1, MM @ EMH2

FROM: PH @ EMH2

SUBJECT: 032/0006 PRIORITY

DATE: 1 FEB 88 19:19:57 GMT

CC:

TEXT:

VZCZCPH0006

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b7c

PP HQ NK MM

DE PH #0006 0322018

ZNR UUUUU

P 011920Z FEB 88

FM SAC, PHILADELPHIA (196A-2296) (NSRA) (P)

TO DIRECTOR, FBI (PRIORITY)

SAC, NEWARK (196-2695)

SAC, MIAMI (196B-3101)

BT

U N C L A S

ATTENTION: (FBIHQ) SSA [REDACTED] - FINANCIAL CRIMES

UNIT

SCAMMONIA; FRAUD BY WIRE; MAIL FRAUD; ITSP; OO: PHILADELPHIA

RE NEWARK TELETYPE TO BUREAU, JANUARY 1, 1988 AND
PHILADELPHIA TELETYPE TO BUREAU, JANUARY 13, 1988; PHILADELPHIA
(ASAC EDWARD R. LEARY) TELEPHONE CALL TO NEWARK, JANUARY 15,
1988.

196-2296-24

IN ACCORDANCE WITH AN AGREEMENT WITH NEWARK AND IN ORDER TO
FACILITATE THE BEST POSSIBLE OPPORTUNITY FOR NEWARK TO SUCCEED IN
THE PURSUIT OF ITS INVESTIGATION OF [REDACTED] PHILADELPHIA [REDACTED]

PAGE TWO DE PH 0006 UNCLAS

IS RELINQUISHING CONTROL OF COOPERATING WITNESS [REDACTED]

EFFECTIVE JANUARY 28, 1988.

INASMUCH AS [REDACTED] WAS INSTRUMENTAL IN INTRODUCING ANOTHER PHILADELPHIA SOURCE AND UNDERCOVER AGENT TO IRVING KOTT, A TARGET OF CAPTIONED UNDERCOVER OPERATION, PHILADELPHIA MAY REQUIRE "BACKSTOPPING" SUPPORT FROM [REDACTED] IN THE FUTURE. ANY SUCH REQUEST WILL BE COORDINATED THROUGH THE NEWARK DIVISION.

NEWARK IS REQUESTED TO APPRISE BOTH PHILADELPHIA AND MIAMI OF ANY COVERT APPROACHES NEWARK MAY DEVISE WHICH INCLUDES PREVIOUSLY IDENTIFIED PHILADELPHIA AND MIAMI TARGETS, IRVING KOTT, [REDACTED], GERALD JACALOW, AND [REDACTED] TO AVOID COMPROMISE OF OTHER SOURCES AND JEOPARDY TO UNDERCOVER AGENTS.

BT

#0006

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NNNN

039/0023
2/8/88

FM SAC, PHILADELPHIA (196A-2296) (NSRA) (P)

TO DIRECTOR, FBI (ROUTINE)

LEGAT BONN (ROUTINE)

BT

U N C L A S

ATTENTION: FBIHQ, FINANCIAL CRIMES UNIT

SCAMMONIA; FBW; MF; ITSP; OO: PHILADELPHIA

CAPTIONED CASE IS PHILADELPHIA UNDERCOVER OPERATION (UCO)
TARGETING PERSONS INVOLVED IN FRAUDULENT STOCK MANIPULATIONS.
ONE TARGET IS IRVING KOTT, WHITE MALE, DATE OF BIRTH OCTOBER 12,
1930, CANADIAN CITIZEN, RESIDENCE MONTREAL, CANADA. KOTT IS
BEHIND GREENTREE SECURITIES, U.S. STOCK BROKERAGE COMPANY,
HEADQUARTERED IN NEW YORK, OPERATED BY [REDACTED]
GREENTREE SECURITIES IS UNDER INVESTIGATION BY U.S. SEC FOR
SECURITIES VIOLATIONS.

ON SEPTEMBER 22, 1987, R.E. [REDACTED]

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① 196A-2296 (NSRM)

SLP.DS
(11)

196-2296-26

TELETYPE
APPROVED: <u>UD: SFP: UN</u>
TRANSMITTED: <u>20 2358</u> (no.) (time)
PER: <u>AW 2-2-88</u>

Sept 16, 1987

Index

2

^PAGE TWO PH 196A-2296 UNCLAS

[REDACTED]

[REDACTED] THEY ADVISED AN ARREST WARRANT WAS ISSUED IN NETHERLANDS AGAINST KOTT FOR MISAPPROPRIATION; FRAUD; FORGERY OF DOCUMENTS; FRAUD IN UTTERANCE AND PARTICIPATION IN AN ILLEGAL ASSOCIATION. WARRANT DATE IS JANUARY 8, 1987 AND WARRANT NUMBER IS 3984/86. PUBLIC PROSECUTOR IS MR [REDACTED] KOTT ALLEGEDLY EARNED 100 MIL POUNDS FROM FRAUDULENT STOCK SALES IN THE NETHERLANDS. INVESTIGATORS [REDACTED] HAD INFORMATION THAT KOTT OCCASIONALLY TRAVELS TO THE UNITED STATES AND REQUESTED THAT IF LOCATED IN THE UNITED STATES, KOTT BE ARRESTED.

[REDACTED]

REQUEST OF LEGAT BONN: CONTACT INVESTIGATORS AT AMSTERDAM, FRAUD SQUAD, AND OBTAIN POLICE REPORTS AND COMPLAINT AND WARRANT INFORMATION IN ORDER THAT SUFFICIENT INFORMATION IS AVAILABLE IN PHILADELPHIA FOR UNITED STATES WARRANT TO BE ISSUED.

^PAGE THREE PH 196A-96 UNCLAS

SEND INFORMATION TO PHILADELPHIA BY MOST EXPEDITIOUS MEANS
AS A MEETING WITH KOTT MAY OCCUR IN THE NEAR FUTURE.

ADVISE PROSECUTOR [REDACTED] IF NECESSARY HE MAY
TELEPHONE ASSISTANT U.S. ATTORNEY [REDACTED]
PHILADELPHIA, PENNSYLVANIA TELEPHONE NUMBER [REDACTED]
BT

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b7C

OUTBOX.1

OUTBOX.1 (#349)

TO: HQ2 @ EMH2

FROM: PH @ EMH2

SUBJECT: 039/0023 ROUTINE

DATE: 8 FEB 88 23:51:18 GMT

CC:

TEXT:

VZCZCPH0023

RR HQ2

DE PH #0023 0390050

ZNR UUUUU

R 082352Z FEB 88

FM SAC, PHILADELPHIA (196A-2296) (NSRA) (P)

TO DIRECTOR, FBI (ROUTINE)

LEGAT BONN (ROUTINE)

BT

U N C L A S

ATTENTION: FBIHQ, FINANCIAL CRIMES UNIT

SCAMMONIA; FBW; MF; ITSP; OO: PHILADELPHIA

CAPTIONED CASE IS PHILADELPHIA UNDERCOVER OPERATION (UCO)
TARGETING PERSONS INVOLVED IN FRAUDULENT STOCK MANIPULATIONS.
ONE TARGET IS IRVING KOTT, WHITE MALE, DATE OF BIRTH OCTOBER 12,
1930, CANADIAN CITIZEN, RESIDENCE MONTREAL, CANADA. KOTT IS
BEHIND GREENTREE SECURITIES, U.S. STOCK BROKERAGE COMPANY,
HEADQUARTERED IN NEW YORK, OPERATED BY [REDACTED]
GREENTREE SECURITIES IS UNDER INVESTIGATION BY U.S. SEC FO
SECURITIES VIOLATIONS.

ON SEPTEMBER 22, 1987, R.E. [REDACTED]

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196-2296-26
22

CH
GT

PAGE THREE DE PH 0023 UNCLAS

SEND INFORMATION TO PHILADELPHIA BY MOST EXPEDITIOUS MEANS
AS A MEETING WITH KOTT MAY OCCUR IN THE NEAR FUTURE.

ADVISE PROSECUTOR [REDACTED] IF NECESSARY HE MAY
TELEPHONE ASSISTANT U.S. ATTORNEY [REDACTED]
PHILADELPHIA, PENNSYLVANIA TELEPHONE NUMBER [REDACTED]

BT

#0023

NNNN

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FEDERAL BUREAU OF INVESTIGATION

1/19/88

Date of transcription _____

At approximately 11:05 AM, a consensually monitored and recorded telephone call was placed to telephone [redacted] from telephone [redacted] connecting CONFIDENTIAL SOURCE with an unknown female. SOURCE asked for MR. KOTT, who came on the line after a brief wait. SOURCE told KOTT that he was calling pursuant to a conversation he had had previously with a mutual acquaintance, [redacted]. SOURCE told KOTT that he would like to get together with him and that he had some investment plans for some German money which was looking to come back to the United States in view of the recent drop in the U.S. dollar. SOURCE asked KOTT how and when they could get together.

KOTT advised that he was in Montreal and he then asked for SOURCE'S travel plans. SOURCE advised KOTT that he would be in New York, Florida, the Caribbean and Europe within the next two weeks. KOTT then asked SOURCE what kind of funds he was handling in Germany and SOURCE advised that he was close to the management side of approximately 15 million dollars in U.S. money which he and his principals intended to place in the United States before the end of January. He represented to KOTT that the funds were from a major insurance company. SOURCE told KOTT that he would like to meet with him to enter into a non-disclosure and non-circumvention agreement to which KOTT agreed.

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KOTT then asked SOURCE where he would be in Florida and when advised by SOURCE that SOURCE would be staying at the Marriott in the Miami Airport, KOTT advised that [redacted] was in the brokerage business and that he had an office in Florida. He told SOURCE that he would like [redacted] to contact SOURCE and furnished SOURCE [redacted] telephone number, [redacted]. He told SOURCE that [redacted] was [redacted] and that he would call him immediately and tell him to expect a contact from SOURCE. SOURCE advised that he would be in Miami on approximately January 12, 1988, and that he would contact [redacted] at that time. SOURCE then asked if there was a

1/6/88

Newtown Square, Pa.

PH 196A-2296 (NSRA)

Investigation on _____ at _____

File # _____

SA [redacted]

:nmn

1/12/88

by _____

Date dictated _____

Continuation of FD-302 of SOURCE, On 1/6/88, Page 2*

possibility he and KOTT could meet and KOTT agreed to this after []
[] and SOURCE had met and discussed the matter in some detail.

SOURCE then furnished KOTT with a telephone number where he could be reached in Dusseldorf, West Germany, [] and with a facsimile number at that location, 594893.

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1

FEDERAL BUREAU OF INVESTIGATION

1/5/88

Date of transcription _____

On this date COOPERATING WITNESS (CW) place a telephone call through the Newtown Square Resident Agency to IRVING KOTT at telephone number [] at 2:30 p.m. and this conversation was recorded at the Newtown Square Resident Agency utilizing a Superscope Recorder. The following is a summary of the telephone call:

CW greeted KOTT and KOTT told CW that he was going into the circus business. KOTT explained that he had a big deal with the marketing and merchandising of a circus with major stores.

CW told KOTT that he called for two purposes: the first was in regards to a company which has a product that kills the AIDS virus in hospitals. CW suggested to KOTT that this would be a beautiful deal to merchandise. The second reason that [] called was that he had a guy from England who was an administrator of a pension fund and who wanted to put a portion of the pension fund into the market. CW suggested to KOTT that it would be a perfect thing for [] to be interested in for his city operation. KOTT responded by saying that CW knew where he was and for CW to give him a call. CW told KOTT that he would call him the following week.

KOTT asked CW what was new with BIO and CW told him that U. S. SURGICAL was going to court with them on Tuesday. KOTT asked CW why that was happening and CW told KOTT that they were trying to take them over and that this guy [] is giving them a tough time and [] would not listen to reason. KOTT asked CW if he thought that it eventually would work out and CW told him that he thought that it would eventually. CW then asked again of KOTT what was happening with him and KOTT told him nothing at all and that he had some people in the office and that he had to say goodbye. The conversation was then terminated.

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Investigation on 12/31/87 at (Telephonic) Newtown Square, Pennsylvania File # Philadelphia 196A-2296 (NSRA)
by SA [], JR.:acg Date dictated 1/4/88

1

FEDERAL BUREAU OF INVESTIGATION

1/26/88

Date of transcription

At approximately 12:30 p.m. a consensually monitored and recorded telephone call was placed to telephone number [redacted] from telephone number [redacted] connecting SOURCE with IRVING KOTT.

SOURCE advised KOTT that he had sent a facsimile to his [redacted] to which KOTT responded that he had not yet seen it. SOURCE told KOTT that the facsimile made reference to a contract proposal for a non-circumvention and non-disclosure agreement which he had discussed with [redacted] in Boca Raton, Florida during the previous week. SOURCE asked KOTT when he could plan to get together with IRVING KOTT in the next 10 to 14 days.

IRVING KOTT asked SOURCE if he was then in Dusseldorf and when advised that [redacted] was, KOTT told SOURCE to write down telephone number [redacted]. He told SOURCE to call that number and ask for a [redacted] (phonetic), or to call him at a hotel in Luxembourg, telephone number [redacted]. KOTT told SOURCE that this was the number of the Intercontinental Hotel in Luxembourg where [redacted]. He told SOURCE that during the week SOURCE could reach [redacted] at the brokerage house in Luxembourg, and that "he handles everything".

SOURCE told KOTT that he would have liked to have gotten together with KOTT. KOTT agreed that this was possible, but stated that he was in Montreal. SOURCE told KOTT that he was going to be in Philadelphia in 10 to 14 days, to which KOTT responded, "Well let's meet then". SOURCE then asked KOTT if he saw a chance for him to meet KOTT in Philadelphia and KOTT responded, "one hundred percent". SOURCE told KOTT that he would give [redacted] a call as a courtesy, but KOTT interrupted stating that he, SOURCE, could wait until he came "here", and discuss it here, adding that that would be no problem. SOURCE told him he would prefer that, and KOTT stated that there was then nothing further to discuss, and told SOURCE to call him when he got to Philadelphia, upon which they could arrange to get together.

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Investigation on 1/22/88 at (Telephonic) Philadelphia
Newtown Square, Pennsylvania 196A-2296(NSRA)
by SA [redacted] acg Date dictated 1/22/88

UNDERCOVER ACTIVITIES
CRIMINAL MATTERS

15. Succinct Summary of:

1. Significant meetings, payoffs, buys or bribes involving designated targets: During January, 1988, Confidential Source (CS) has had telephonic contact with IRVING KOTT, a fugitive who is wanted by Netherlands authorities for a multi-million dollar stock fraud conducted in that country. CS has attempted to set up a meeting with IRVING KOTT in the United States in an effort to have him arrested for extradition to the Netherlands. KOTT is currently living in Montreal, Canada and he is a Canadian citizen. CS has introduced to IRVING KOTT a deal whereby \$15 million would be allegedly invested with KOTT'S brokerage company in the United States doing business as GREENTREE SECURITIES. IRVING KOTT has put CS in touch with [redacted] who is operating GREENTREE SECURITIES in the United States. Efforts are being made by CS to meet with IRVING KOTT in the United States and also identify the fraudulent activities of GREENTREE SECURITIES through contacts with [redacted] IRVING KOTT.

Also, another Philadelphia cooperating witness has contacted IRVING KOTT and attempted to set up a meeting with IRVING KOTT in the United States. IRVING KOTT has put the Philadelphia cooperating witness in touch with his [redacted] KOTT and a meeting between the cooperating witness and [redacted] has taken place in January, 1988. Efforts are being made by the cooperating witness to set up a meeting with IRVING KOTT in the United States and also to extract information from [redacted] regarding fraudulent activities of which GREENTREE SECURITIES is involved.

2. Prosecutable cases developed: Efforts are being made to develop information which would lead to the prosecution of [redacted] IRVING KOTT or those associated with GREENTREE SECURITIES regarding any fraudulent stock manipulations which may be occurring through that brokerage company.

3. New targets developed: None.

4. Additional techniques utilized: None.

memorandum

DATE:

3/3/88

REPLY TO
ATTN OF:

SA [REDACTED]

SUBJECT:

SCAMMONIA
FBW; MF; ITSP;
(OO:PH)

TO: SAC, (196A-2296)(NSRA)(P)

On 1/27/88, [REDACTED] who identified himself as an investigator with the AMSTERDAM POLICE in the Netherlands, advised that he was calling concerning IRVING KOTT and the FBI's efforts to arrest KOTT in the United States for the Netherlands.

[REDACTED] whose name was known to the writer as the investigator of the matter in the Netherlands, concerning IRVING KOTT, and as the individual, on whose investigative efforts, the Dutch Warrant for KOTT's arrest was issued, was told that the U.S. Department of Justice would not authorize a provisional arrest of KOTT in the United States until further information establishing sufficient probable cause was furnished to the U.S. Department of Justice by Dutch authorities.

[REDACTED] stated that he understood this, and that he was calling to advise the FBI that due to an investigation of KOTT by Canadian authorities, it was the desire of Dutch authorities that KOTT not be arrested in the United States for at least three weeks. [REDACTED] further stated that upon the resolution of the Canadian investigation, a [REDACTED] the Dutch Prosecutor, would be in touch with the U.S. Attorney's Office in Philadelphia.

[REDACTED] then advised that he was considering requesting authority to travel to the United States to discuss this matter in detail with the FBI. [REDACTED] advised that he thought this would be of benefit inasmuch as a discussion of the matter could be held more easily in person than by telephone.

[REDACTED] stated that he would be in contact with the FBI, and that if necessary, he could be reached at telephone number [REDACTED]

(2)(196A-2296)(NSRA)

FJK:acg
(2)
acg

196A-2296-38

SEARCHED	INDEXED
SERIALIZED	FILED
MAR 3 1988	
FBI - PHILADELPHIA	

OPTIONAL FORM NO. 10
(REV. 1-80)
GSA FPMR (41CFR) 101-11.6
5010-114
U.S. GPO: 1985-491-248/20552

FORMS.TEXT HAS 1 DOCUMENT

INBOX.1 (#474)

TEXT:

VZCZCMM0005

RR HQ AFO

DE MM #0005 0691559

ZNR UUUUU

R 0691604Z MAR88

FM MIAMI (196A-3193) (P) (WCC-2)

TO DIRECTOR ROUTINE

QUANTICO ROUTINE

ALL FIELD OFFICES ROUTINE

BT

UNCLAS

ATTENTION FBIHQ/FINANCIAL CRIMES UNIT, SSA [REDACTED]

ATTENTION QUANTICO/ECONOMIC/FINANCIAL UNIT, SSA [REDACTED]

O comping and my
EGGSHELL. FBW(A)-MF; SECURITIES FRAUD - CONSPIRACY. OO:MIAMI.

RE MIAMI TEL TO FBIHQ FEB. 2, 1988.

FOR INFORMATION OF RECEIVING OFFICES, EGGSHELL INVOLVES
INVESTIGATION OF FRAUD CONSPIRACIES IN OVER-THE-COUNTER (OTC)
SECURITIES MARKETS AMONG A GROUP OF BROKERAGE FIRMS, SHELL AND
BLIND POOL PROMOTERS, PENNYSTOCK NEWSLETTER WRITERS AND
PUBLISHERS. INVESTIGATION TO DATE HAS IDENTIFIED PARTICIPANTS
SUCH AS [REDACTED] DBA NEWSLETTER MANAGEMENT, INC., BOCA RATON,

INDICES

FOIMS *imb*

MANUAL *imb*

319

196A-229039

SEARCHED	INDEXED
SERIALIZED <i>19</i>	FILED <i>21</i>
MAR 9 1988	
-PHILADELPHIA	

X
1988

PAGE TWO DE MM 0005 UNCLAS

FLORIDA, WHICH PUBLISHES AN ESTIMATED 100 - 200 PENNYSTOCK

NEWSLETTERS REACHING SOME 250,000 SUBSCRIBERS; BROKERAGE

PRINCIPALS [REDACTED] ETC.), [REDACTED]

[REDACTED] (STUART, JAMES, INC.), [REDACTED] (MORGAN,

GLADSTONE), [REDACTED] (FIRST SOUTHERN), [REDACTED] (R. H.

STEWART & CO., AND AMERICAN CAPITAL CONSULTANTS), IRVING KOTT

(GREENTREE SECURITIES), [REDACTED] (FITZGERALD, DE ARMIN &

ROBERTS), [REDACTED] FORMER NEW YORK CITY PROMOTER NOW

OPERATING FIRMS IN EUROPE, [REDACTED] (UNITED ATLANTIC

INVESTMENTS), AND OTHERS. PARTICIPANTS HAVE BEEN IDENTIFIED IN

MIAMI, NEW YORK, NEWARK, PHILADELPHIA, BOSTON, TAMPA, DENVER,

SALT LAKE CITY, LOS ANGELES, AND SEATTLE DIVISIONS.

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ON FEB. 23, 1988, MIAMI HOSTED SEMINAR WITH FBI SPECIAL
AGENTS FROM TEN FIELD OFFICES AND SECURITIES AND EXCHANGE (SEC)
REPRESENTATIVES FROM MIAMI, ATLANTA, AND WASHINGTON, D.C.; SSA

[REDACTED] FINANCIAL CRIMES UNIT, FBIHQ, AND AUSA, MIAMI, TO
DISCUSS INVESTIGATIVE AND PROSECUTIVE STRATEGIES. [REDACTED]

[REDACTED] SEC REGIONAL ASSOCIATE DIRECTOR, MIAMI, OFFERED TO
COMPILE A SEMINAR, PROVIDED BY SEC AND NATIONAL ASSOCIATION OF
SECURITIES DEALERS (NASD) OFFICIALS, FOR THE PURPOSE OF PROVIDING

PAGE THREE DE MM 0005 UNCLAS

FBI INVESTIGATORS WITH BASIC DISTRIBUTION AND TRADING OF OTC SECURITIES.

[] HAS PROVIDED MIAMI WITH A PROPOSED TWO-DAY COURSE OUTLINE, SCHEDULED AT THE SHERATON BRICKELL POINT HOTEL, MIAMI, ON TUESDAY - WEDNESDAY, APRIL 5-6, 1988. COURSE FACULTY INCLUDES SEC STAFF ATTORNEYS, COMPLIANCE EXAMINERS, INVESTIGATORS, AND SEC ENFORCEMENT PERSONNEL; NASD REGIONAL COUNSEL (ATLANTA), EXAMINERS AND OFFICIALS.

COURSE OUTLINE INVOLVES FIRST DAY REVIEW OF SECURITIES MARKETS REGULATIONS; REGISTRATION PROCESS; BROKER-DEALER DOCUMENTS; UNDERWRITERS; INTRODUCING AND/OR CLEARING BROKERS; TRANSFER AGENTS; TRADING DOCUMENTATION; PINK SHEETS; TRANSFER AGENTS; BROKER DEALER RECORDS; OTC FRAUD STRATEGIES; TRADING SUSPENSIONS; AND CRIMINAL SECURITIES PROSECUTIONS (AUSA [] [] MIAMI, FORMER SEC STAFF ATTORNEY). SECOND DAY WILL INVOLVE WORKSHOP TO REVIEW TWO SPECIFIC EXAMPLES OF OTC FRAUDS TO STUDY DOCUMENTARY EVIDENCE AND INVESTIGATORY TECHNIQUES.

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TENTATIVE PARTICIPANTS INCLUDE THE FOLLOWING:

MIAMI: SSA [] SA [] AND SA []
[] BOSTON: SA [] NEW YORK: SA []

PAGE FOUR DE MM 0005 UNCLAS

NEWARK: SSA [] AND SA [] PHILADELPHIA:

SA [] SALT LAKE CITY: SSA [] SA []

[] AND SA [] DENVER: SSA [] AND SA T. J.

HARRINGTON; FBIHQ: SSA [] QUANTICO: SSA []

TAMPA: SA [] CHICAGO: SA [] AND

KNOXVILLE: SA []

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SEC HAS ADVISED SEMINAR COULD ACCOMMODATE 20 - 25 FBI AGENT
PERSONNEL.

MIAMI RECOMMENDS INCLUDING PARTICIPANTS FROM LOS ANGELES AND
SEATTLE OFFICES, BASED UPON INFORMATION BEING DEVELOPED IN
EGGSHELL, THROUGH FBI INFORMANTS AND COOPERATING WITNESSES THAT
INVOLVE THOSE DIVISIONS. OTHER DIVISIONS HAVING PENDING
INVESTIGATIONS INVOLVING OTC/PINK SHEET/PENNYSTOCK FRAUD DESIRING
TO HAVE PERSONNEL ATTEND SCHEDULED SEMINAR AT MIAMI, APRIL 5-,
1988, CONTACT SSA [] WCC-2, MIAM, FTS [] OR
[] OR SA [] ATTNDANCE
WILL BE LIMITE TO 25.

BT

#0005

NNNN

106/0004

4-15-88

FM PHILADELPHIA (196A-2296) (NSRA) (P)

TO DIRECTOR, FBI (ROUTINE)

BT

U N C L A S

ATTENTION: SUPERVISOR [REDACTED] - FBIHQ, FINANCIAL
CRIME UNIT, WHITE COLLAR CRIME SECTION
SCAMMONIA; ITSP-RICO; OO: PHILADELPHIA

CAPTIONED UCO IS CURRENTLY TARGETING IRVING KOTT THROUGH [REDACTED]
[REDACTED] WHO HAS HAD NUMEROUS TELEPHONE CALLS WITH KOTT. [REDACTED]
[REDACTED] HAS ALSO MET WITH [REDACTED] AT GREENTREE SECURITIES IN
NEW YORK. [REDACTED] HAS SCHEDULED TO MEET WITH IRVING KOTT,
[REDACTED] AND OTHERS AT GREENTREE SECURITIES HEADQUARTERS IN
NEW YORK CITY IN THE NEAR FUTURE. COOPERATING WITNESS WILL ENTER
INTO A DEAL WITH IRVING KOTT AND [REDACTED] TO BEGIN PURCHASING
AND MARKETING NEW ISSUE STOCKS MARKETED BY GREENTREE SECURITIES.
COOPERATING WITNESS ANTICIPATED THAT AS MORE DEALS ARE WORKED

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(1) 196A-2296 (new)

SMP: MAPJ

(1)

196-2296-46

TELETYPE
APPROVED <i>[Signature]</i>
TRANSMITTED: 0004 4:00 (no.) (time)
PER: <i>[Signature]</i>

^PAGE TWO PH 196A-2296 UNCLAS

BETWEEN GREENTREE AND COOPERATING WITNESS'S COMPANY A CONFIDENCE WILL BE DEVELOPED BETWEEN COOPERATING WITNESS AND KOTT WHEREBY THE COOPERATING WITNESS WILL BE ABLE TO DISCUSS AND IDENTIFY ANY FRAUDULENT ACTIVITIES BEING CONDUCTED BY THE KOTTS AND GREENTREE SECURITIES. COOPERATING WITNESS WILL THEN ATTEMPT TO IDENTIFY FRAUDULENT ACTIVITIES SIMILAR TO THAT WHICH BROUGHT KOTT \$160 MILLION IN PROFITS FROM KOTT'S FRAUDULENT STOCK SALES IN THE NETHERLANDS. AT THAT TIME UCAS CAN BE INTRODUCED INTO THE SCHEME TO PRODUCE EVIDENCE OF THE FRAUD.

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UCO IS ALSO TARGETING [REDACTED] [REDACTED] FERNMAR INTERNATIONAL INSURANCE, ATLANTA, GA. [REDACTED] [REDACTED] INSURANCE COMPANIES IN ENGLAND AND HAS ATTEMPTED TO GET AN INSURANCE COMPANY KNOWN AS AMERICAN TRUST INSURANCE COMPANY LICENSED IN THE UNITED STATES THROUGH SEVERAL STATES AND THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS. IN ATTEMPTING TO GET THIS LICENSE, [REDACTED] HAS FURNISHED FINANCIAL STATEMENTS WHICH HAVE STOCKS LISTED AS ASSETS WORTH MILLIONS YET THESE STOCKS HAVE BEEN SHOWN TO BE WORTHLESS THROUGH SEC AUTHORITIES. [REDACTED] HAS BEEN TURNED DOWN FOR A LICENSE BY ALL WHO HAVE RECEIVED HIS SUBMISSION. THROUGH [REDACTED] JCA PLANS TO ARRANGE A MEETING WITH [REDACTED] TELLING HIM

^PAGE THREE PH 196A-2296 UNCLAS

THAT UCA CAN FACILITATE GETTING [] AN INSURANCE LICENSE.
NEGOTIATIONS WITH [] WILL TAKE PLACE, THE FRAUDULENT NATURE OF
HIS FINANCIAL STATEMENT WILL BE IDENTIFIED, AND A WIRE FRAUD
AND/OR MAIL FRAUD CASE WILL BE INVESTIGATED AGAINST []

UCO IS ALSO ABOUT TO ASSIST THE BOSTON AND TAMPA OFFICES OF
THE FBI IN THEIR INVESTIGATIONS TARGETING DOMINION SAVINGS AND
TRUST, DALLAS, TEXAS; AMERIBANK, CALIF.; [] AND
NUMEROUS OTHERS WHO ARE INVOLVED IN A MULTI-MILLION DOLLAR FRAUD
AGAINST THE FEDERAL GOVERNMENT. THESE PERSONS AND ENTITIES ARE
INVOLVED IN PROVIDING FRAUDULENT PERSONAL FINANCIAL GUARANTEES TO
CONTRACTORS WHO HAVE BEEN ABLE TO OBTAIN FEDERAL GOVERNMENT
CONTRACTS. THE FINANCIAL GUARANTEES ARE PRESENTED BY THE
CONTRACTORS IN LIEU OF PERFORMANCE BONDS ISSUED BY LEGITIMATE
TREASURY LISTED INSURANCE COMPANIES. THIS PRACTICE IS ACCEPTABLE
BY THE CONTRACT AWARDING AGENCIES ACCORDING TO FEDERAL GOVERNMENT
REGULATIONS. IN FACT, THE FINANCIAL GUARANTEES ARE FULL OF
FRAUDULENT ASSETS AND THE PERSONS PROVIDING THE GUARANTEES ARE *not*
WORTH WHAT THEY PRESENT ON THEIR FINANCIAL STATEMENTS. THIS
PRACTICE HAS BEEN IDENTIFIED BY SOURCES BEING WORKED BY THE TAMPA
AND BOSTON OFFICES. CAPTIONED UCO WILL TARGET THE PERSONS

^PAGE FOUR PH 196A-2296 UNCLAS

INVOLVED BY MEETING THE SUBJECTS AND GAINING THESE PERSONAL
FINANCIAL STATEMENTS AND IDENTIFYING THE FRAUDULENT NATURE OF
THESE STATEMENTS.

BT

OUTBOX.1 (#1028)

TO: HQ2 @ EMH2

FROM: PH @ EMH2

SUBJECT: 106/0004 ROUTINE

DATE: 15 APR 88 19:55:33 GMT

CC:

TEXT:
VZCZCPH0004

RR HQ

DE PH #0004 1062049

ZNR UUUUU

R 152035Z APR 88

FM PHILADELPHIA (196A-2296) (NSRA) (P)

TO DIRECTOR, FBI (ROUTINE)

BT

U N C L A S

ATTENTION: SUPERVISOR [REDACTED] - FBIHQ, FINANCIAL
CRIME UNIT, WHITE COLLAR CRIME SECTION
SCAMMONIA; ITSP-RICO; OO: PHILADELPHIA

CAPTIONED UCO IS CURRENTLY TARGETING IRVING KOTT THROUGH [REDACTED]
[REDACTED] WHO HAS HAD NUMEROUS TELEPHONE CALLS WITH KOTT. [REDACTED]
[REDACTED] HAS ALSO MET WITH [REDACTED] AT GREENTREE SECURITIES IN
NEW YORK. [REDACTED] HAS SCHEDULED TO MEET WITH IRVING KOTT,
[REDACTED] AND OTHERS AT GREENTREE SECURITIES HEADQUARTERS IN
NEW YORK CITY IN THE NEAR FUTURE. COOPERATING WITNESS WILL ENTER
INTO A DEAL WITH IRVING KOTT AND [REDACTED] TO BEGIN PURCHASING
AND MARKETING NEW ISSUE STOCKS MARKETED BY GREENTREE SECURITIES.
COOPERATING WITNESS ANTICIPATED THAT AS MORE DEALS ARE WORKED

Searched
Serialized
Indexed
Filed

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827

196-2296-46

[redacted] FIRST SOUTHERN, INC., now CROMWELL, KNIGHT, INC., operated by [redacted] associate [redacted] BRADSTREET SECURITIES, INC., operated by [redacted] and later taken over by [redacted] and JERALD JACOBOW; in which, the office manager was [redacted] JAMESON GROUP, INC., Coral Springs, Fla.; AMERICAN CAPITAL CONSULTANTS/ [redacted] & JACOBOW); GREENTREE SECURITIES, INC., owned by [redacted] and IRVING KOTT, Canadian stock manipulator, and run by KOTT'S [redacted] BROOKS, WEINGER, INC., recently taken over by IRVING KOTT. ATWATER, WELLS, INC., operated by [redacted]

Investigation in AMERICAN CAPITAL CONSULTANT case has revealed that although securities were sold by ACC Salesmen, in Florida, all transactions appear to have been negotiated through WAKEFIELD FINANCIAL, INC., a New York City brokerage operated by [redacted] and [redacted] associates of [redacted]

Miami anticipates expansion of current investigation with continued assistance of Philadelphia Cooperating Witness and source and development of additional witnesses as a result of ongoing Miami investigation. Some 15 - 20 witnesses subpoenaed by SEC, Miami, in connection with AMERICAN CAPITAL CONSULTANTS investigation invoked Fifth Amendment Rights based upon instruction from [redacted] New York. AUSA Miami, currently negotiating with several attorneys seeking to plea bargain in this matter which will result in additional subjects and targets in these investigations.

OTC stocks believed involved in [redacted] include the following: INFODATA; CANDY MOUNTAIN GOLD; AMERICAN ASSURANCE UNDERWRITERS; SEARCH, INC.; QUARTS MOUNTAIN GOLD; SUN RIVER GOLD; GOLDCOR, INC.; NOBLE METAL RECOVERY; ENERGEX MINERALS, LTD.; VAAL REEFS; BALMORAL MINES; GETTY RESOURCES; NEWHAWK GOLD; MADELINE MINES; ACQUISITOR MINES; CAL GRAPHITE; INTERNATIONAL RESOURCES; TEXCEL INTERNATIONAL; CHECK ROBOT; MOGUL INTERNATIONAL NOCOP; TIMBERLINE SOFTWARE; MANAGEMENT TECHNOLOGIES; MAGIC GOLD; TENSIDYNE; TRIUMPH CAPITAL; ENVIROPACT; CREATIVE MEDICAL; S. TAYLOR COMPANIES; PASTA VIA INTERNATIONAL; CYBERTEK COMPUTER; PHOENIX FINANCIAL; AMERICAN MIDLAND; NEW AMERICAN GROUP; SPRINGBOARD SOFTWARE; GREAT WESTERN SYSTEMS; VIDEO LIBRARY; NATIONAL FLEET GROUP; BEAVER RESOURCES; IMPACT INTERNATIONAL; MEDAC; LKA INTERNATIONAL; CHANCELLOR FUNDING; ACUSON; AMOUR/BARD; ARGONAUT RESOURCES; MEDIZONE; TOTH ALUMINUM CORP.; VECTOR DEVELOPMENT; CHECK ROBOT; AND UNITED SOUTHLAND EUROPEAN ORIGINAL NY SELTZER.

memorandum

DATE:

5/13/88

REPLY TO
ATTN OF:

SA [REDACTED]

SUBJECT:

SCAMMONIA
(OO:PH)

SAC, (196A-2296)(NSRA) (P)

Re 5/10/88 memo of SSRA [REDACTED]

During the 4/12/88 conference with ASAC EDWARD R. LEARY, concerning progress/targets in the captioned matter, the specific focus of the captioned investigation was discussed. These areas include the introduction of a UCA to IRVING KOTT, a Canadian con man and stock manipulator, or his associates, by a cooperating witness who has established contact with KOTT at the direction of the case agents. While this is still considered to be entirely feasible, a problem has arisen in that the cooperating witness will be furnishing testimony in a trial beginning 5/17/88. This trial emanates from a previous Philadelphia Group I UCO entitled "SCRAPPLE". Because of this, the cooperating witness is extremely reluctant to undertake any directed contact with KOTT or his associates until the SCRAPPLE trial is resolved and the witness' public exposure can be assessed.

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The other areas of focus of the instant investigation, outlined for ASAC LEARY, were an insurance business operated by one [REDACTED] who is attempting to obtain insurance licensing based on multi-million dollar financial statements containing worthless assets, and the participation in an investigation with the Boston and Tampa Divisions wherein fraudulent personal financial guarantees to contractors have been submitted to the Department of Defense to enable these contractors to secure contracts with the Federal Government. Both these investigations continue to be highly viable, but have not developed as quickly as anticipated. The [REDACTED] investigation requires the

② - (196A-2296)(NSRA)

FJK:acg
(2)

JFK

196A-2296-53

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PHILADELPHIA	

introduction of UCAs to [] by a confidential source who has been unable to arrange a suitable introduction to date. The third investigation, code named [] by Boston, also hinges on suitable introductions of Philadelphia UCAs as areas of venue are identified.

As noted above, the case agents continue to believe that the captioned matter has identified several areas which merit continued investigative attention. It is recognized, however, that the projected timetable established is no longer realistic. Noting these facts, it is recommended that this investigation be continued at the same time financial expenditures in the case be sharply curbed. Therefore, a rental vehicle will be eliminated on May 20, 1988, thereby reducing the monthly financial outlay in this case, by 50 percent. Authority is requested to continue to incur other expenses in this investigation, primarily telephone charges, until the 6/22/88 expiration of this investigation's six month approval period is reached.

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// Telephones are being used in this and other cases. Costs are minimal at this time. The additional 30 days will produce a clearer picture of where we stand with both sources in this case - []

ASAC Notes :

Approved
Eke
5-17-88

W.H. 004W.216

FM FBI PHILADELPHIA (196A-2296) (NSRA) (P)

TO DIRECTOR FBI/ROUTINE/

LEGAT BONN (196A-241)/ROUTINE/

BT

UNCLAS

CITE: //3620:4246//

b6
b7C

SUBJECT: SCAMMONIA; FBW, MF, ITSP, OO: PHILADELPHIA.

RE PHILADELPHIA TELETYPE TO THE BUREAU, FEBRUARY 8, 1988,
LEGAT BONN TELETYPE TO THE BUREAU, JULY 27, 1988.

PHILADELPHIA SOURCES DISASSOCIATED THEMSELVES FROM IRVING
KOTT UPON ABSENCE OF INFORMATION REQUESTED FROM DUTCH AUTHORITIES
DURING JANUARY 27, 1988, TELEPHONE CALL OF DUTCH FEDERAL POLICE,
AND INVESTIGATOR [REDACTED] TO FBI PHILADELPHIA, AND AS
SET FORTH IN PHILADELPHIA TELETYPE TO LEGAT BONN, FEBRUARY 8,
1988. COVERT STAGE OF CAPTIONED UCO COMPLETED. FURNISHING OF

0021

#71

WGO/9mm

① 196A-2296 (NSRA)
FTK lyh
(1) lyh

196A-2296-56

2/8/88

^PAGE TWO DE PH (196A-2296) UNCLAS

DOCUMENTS NECESSARY FOR ISSUANCE OF PROVISIONAL ARREST WARRANT
FOR KOTT BY U.S. DJ LEFT TO DISCRETION OF DUTCH AUTHORITIES. NO
FURTHER INVESTIGATION REQUESTED LEGAT BONN.

BT

196A-2296

Eighth Floor
Federal Office Building
600 Arch Street
Philadelphia, Pennsylvania 19106
November 21, 1988

b6
b7C

Mr. Michael M. Baylson
United States Attorney
Eastern District of Pennsylvania
3310 U. S. Courthouse
Independence Mall West
601 Market Street
Philadelphia, Pennsylvania 19106

Attention:
Assistant United States Attorney

RE SCAMMONIA

Dear Mr. Baylson:

On November 8, 1988, captioned case was discussed by Special Agent (SA) with Assistant United States Attorney (AUSA) advised AUSA that the initial objective of this case was to develop a business relationship with Irving Kott who is living in Canada and have Kott come to the United States where he could be arrested by the Federal Bureau of Investigation (FBI). The arrest would be based on a warrant issued by law enforcement authorities in the Netherlands for fraud in connection with stock manipulations there. In August of 1987 law enforcement authorities requested through Interpol in Washington, D.C. that law enforcement authorities in the United States be on the lookout for Irving Kott and place him under arrest in the United States if he were located there. Although this request was made by Netherlands authorities when the same authorities were asked if they could furnish more information for a provisional arrest warrant in the United States, they were reluctant to furnish any information which would allow for a warrant to be issued.

①
JSF

1-Addressee
1-Phila 196A-2296 (NSRA)

JEF:acg
(2)

196A-2296-57

SEARCHED <input checked="" type="checkbox"/>	INDEXED <input checked="" type="checkbox"/>
SERIALIZED <input checked="" type="checkbox"/>	FILED <input checked="" type="checkbox"/>
NOV 21 1988	
FBI-PHILADELPHIA	

A second objective was initiated at this time and that objective was to develop a case against Irving Kott which would involve stock manipulations in the United States. A confidential source was used to assist the FBI in developing a case which would result in this objective. The confidential source did make contact with Irving Kott and the source was developing valuable information. Due to the source having been prosecuted, the judge who sentenced the source mandated that the source not play an active role in an FBI investigation.

Because of the above reasons an investigation regarding captioned matter could not be continued. AUSA [] declined prosecution in this matter because there was insufficient evidence to support a prosecution of Irving Kott.

Very truly yours,

Edward R. Leary
Acting Special Agent in Charge

By:

[]
Supervisory Senior Resident Agency

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1347683-0

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AIRTEL

Federal Bureau of Investigation

FROM: SAC PHILADELPHIA (92-2080 SUB B) (CIU)

DATE: 2/1/88

TO: Director, FBI (62-318)
Attn: ELSUR Index

ELSUR

Enclosed for the ELSUR Index are # 4 ELSUR cards.Case Title: SCAMMONIA;
FBW;
OO: PHILADELPHIAb6
b7C☐ TITLE III ☐ FISA☐ TESUR Source # _____
☐ MISUR Source # _____
☐ CCTV Source # _____
☐ BEEPER Source # _____
☐ OTHER Source # _____

Specify technique _____

Approved by: ☐ USDC Judge _____ on _____ Date _____☐ FISC on _____ Date _____

EXTENSION DATE(S) _____ ; _____ ; _____ ; _____

☒ CONSENSUAL MONITORING (CM)☒ Telephone - # of cards 4 - CM # 2409 ☐ Nontelephone - # of cards _____ - CM # _____

ELSUR CARD SUBMISSION:

Principal Card(s) # Enclosures _____

List Target(s) only:

Proprietary Interest (PI) Card(s) # Enclosures _____
List all names, addresses, telephone numbers and etc. pertaining to PI.Overhear card(s) # Enclosures 4

List Name(s) only:

PH 6777
KOTT, IRVING
PH 6210-WC
PH 6803-CW1/5/88
1/5/88
1/6/88
1/11/88PHCM# 2409-T (Telephonic)
PHCM# 2409-T (Telephonic)
PHCM# 2409-T (Telephonic)
PHCM# 2409-T (Telephonic)2 - Bureau (4 Enclosures)(2) Philadelphia
1- 92-2080 (SUB B) (CIU)
1- 196A-2296CFB:ms
(4)

196-2296 Sub A -3

UNITED STATES GOVERNMENT
memorandum

DATE: 1/19/88
REPLY TO: SA [REDACTED]
ATTN OF:
SUBJECT: SCAMMONIA
FBW, MF;
ITSP
(OO:PH)
TO: SAC, (196A-2296)(NSRA)(P)

PURPOSE: Authority is requested to electronically monitor telephone conversations of UCAd cooperating witnesses, and source ~~de~~ with IRVING KOTT, [REDACTED] and others yet unidentified. Authority requested for 120 days.

DETAILS: A cooperating witness has furnished information regarding IRVING KOTT that KOTT is an international stock manipulator living in Montreal, Canada, and that he is wanted by Netherlands authorities for conducting a stock fraud which netted KOTT an approximate profit of 160 million dollars. Netherlands authorities have requested from U.S. authorities that KOTT be arrested if he is located in the United States. The cooperating witness believes that he can propose a deal which would interest IRVING KOTT and bring him to the United States because the cooperating witness has already in the past year met IRVING KOTT in New York City on several occasions.

The cooperating witness also has met with [REDACTED] who is a notorious stock manipulator living in Cannes, France and he has introduced to the cooperating witness a proposition to conduct a stock market manipulation from the United States.

The cooperating witness has also met with [REDACTED] who runs GREEN TREE SECURITIES in New York City and [REDACTED] of IRVING KOTT. The cooperating witness has stated that he has been closely associated with [REDACTED] and could propose a deal which would expose the stock manipulations conducted by [REDACTED]

The above conversation would be monitored as part of captioned Group II UCO. It is anticipated that additional

2296 Sub A
②-196A-New (NSRA)
1-66-6598 (SUB A)(NSRA)

JEF:acg
(3)
acg

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 19 1988	
FBI - PHILADELPHIA	

OPTIONAL FORM NO. 10
(REV. 1-80)
GSA FPMR (41 CFR) 101-11.6
5010-114
U.S. GPO: 1985-491-248/20552

196-2296 Sub A - 4

subjects would be developed and identified. UCAs and cooperating witnesses and source have furnished written permission for consensually monitoring their conversations and have agreed to testify in any forthcoming criminal proceedings.

(10) EMERGENCY AUTHORITY: Emergency authority was verbally granted by Assistant Agent in Charge, [redacted] on January 4, 1988, because it was anticipated that the cooperating witness would have a telephone conversation with IRVING KOTT on that date.

U.S. ATTORNEY'S OPINION: AUSA [redacted] EDPA, Philadelphia, PA foresaw no entrapment in instant matter and concurs in the use of consensual monitoring to substantiate potential testimony of UCA's, cooperating witnesses, and source.

ADMINISTRATIVE: UCAs are identified as [redacted] and [redacted]

Cooperating Witnesses are identified as [redacted] and [redacted] who has had the contacts with IRVING KOTT, [redacted]

Source is identified as [redacted]

[redacted] has been assigned to this case.

67 SAC AUTHORITY WGD/ELK

DATE 1/28/88

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FEDERAL BUREAU OF INVESTIGATION

1/21/88

Date of transcription _____

At approximately 1:05 PM, a consensually monitored and recorded telephone call was placed from telephone number— [redacted] to telephone number [redacted] connecting CONFIDENTIAL SOURCE with IRVING KOTT. SOURCE told KOTT [redacted] company, OCCIDENTAL FINANCIAL SERVICES, and that several years ago he was partners with one [redacted] and several other individuals. He stated that he had a sales force/brokerage-dealer operation which was capitalized at a couple of million dollars, and that he needed European distributors. He told KOTT that [redacted] had suggested that he, SOURCE, call KOTT for assistance.

KOTT stated that he has a son who is New York and that he has 12 offices and 400 salesmen, and had recently purchased an additional brokerage firm. SOURCE told KOTT that he was going to New York in the near future, and KOTT stated that his son was presently in Boca (Raton). KOTT added that "We are also connected with several people overseas". SOURCE asked if KOTT had business affiliations in Asia and KOTT advised that they were just now going into Asia.

KOTT then stated that the telephone was not the place to discuss business, to which SOURCE responded that he understood.

SOURCE then mentioned several locations where he does business, and KOTT advised that he is associated with people in the Luxembourg and European options markets.

KOTT told SOURCE that if he wanted to "come up and visit", he could do so adding, "We have everything you need".

SOURCE told KOTT that he was "Not wild about Canada", and preferred to meet in New York. KOTT asked why and SOURCE told him "You remember [redacted] to which KOTT responded "That's a dirty name". SOURCE stated that [redacted] had created some problems about ten years ago and that as a result he does not often go to Canada,

1/11/88

Newtown Square, Pa.

PH 196A-2296 (NSRA)

Investigation on _____ at _____ File # _____

SA [redacted] mn

1/15/88

by _____ Date dictated _____

SOURCE

1/11/88

2*

Continuation of FD-302 of _____, On _____, Page _____

although he could do so. He told KOTT that he was going to be in New York in the near future, and added that he could perhaps meet with KOTT'S son.

KOTT told him that his son was in Boca (Raton), and that his son had four offices in New York and that his associates were in New York. SOURCE asked KOTT if he was ever in New York and KOTT stated that he was in New York at times and in Boca at times. KOTT then stated "I like to discuss these businesses in Canada, for everyone's sake". SOURCE repeated that he gets nervous in Canada. KOTT told SOURCE he could check it out and could get a reading on SOURCE, and SOURCE advised him that he would call him again in a few days.

1

FEDERAL BUREAU OF INVESTIGATION

2/1/88

Date of transcription _____

[] SOURCE advised that on January 26, 1988 he had spoken to [] of Luxembourg, an associate of IRVING KOTT.

He advised [] that he was calling as a courtesy to KOTT inasmuch as KOTT had advised that [] dealt with most of KOTT's business affairs in Europe. He told [] that while his business dealings were in Europe, he had been referred to KOTT, and it was his ultimate intention to deal personally with KOTT.

[] told him that he operates a company named AIM, but that the company would soon be changing names to PETROUSSE SECURITIES INTERNATIONAL, on Boulevard de Petrousse, Luxembourg.

SOURCE indicated that [] told him that KOTT's interest in Europe were promoted through AIM and would subsequently be promoted through PETROUSSE SECURITIES INTERNATIONAL.

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Investigation on 1/26/88 at Newtown Square, Pennsylvania File # Philadelphia 3 196A-2296-(NSRA)
by SA [] :acg Date dictated 1/29/88

FEDERAL BUREAU OF INVESTIGATION

1/19/88

Date of transcription _____

At approximately 10:10 AM, a consensually monitored and recorded telephone call was placed from telephone number [redacted] in Newtown Square, Pa., to telephone number [redacted] in Montreal, Quebec, Canada, connecting [redacted] COOPERATING WITNESS, who was in California, with IRVING KOTT.

COOPERATING WITNESS asked KOTT what were the possibilities doing business, adding that he had a NASDAQ stock called Earthworm Heavy Equipment and that he desperately needed some product which would give him some spread. KOTT told COOPERATING WITNESS that he had all that in three underwritings that were just now coming out, one of which was coming out this week in the neighborhood of two to four million dollars. KOTT added that these issues were all sold out. KOTT indicated that he was reluctant to discuss the matter in detail as he did not like to talk on the phone. He assured COOPERATING WITNESS that there was a lot of spread, that he had the product, the liquidity, and the market.

COOPERATING WITNESS asked KOTT if he had a newsletter and KOTT advised COOPERATING WITNESS that he had five newsletters in the United States and three in Europe. COOPERATING WITNESS asked KOTT if he was doing anything in Asia and KOTT said that he was not at the present time but that he was going to do something soon. KOTT asked COOPERATING WITNESS if he knew [redacted] (phonetic). He explained that [redacted] had come to him a long time ago in Europe and that KOTT did not want to do anything with him at that time. KOTT stated that a fellow who was then working with [redacted] and who had previously worked for KOTT, now wants KOTT to do something with [redacted] KOTT reiterated that he had not, to the present time, done anything in Asia.

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KOTT asked COOPERATING WITNESS what exactly he had there in Asia, and COOPERATING WITNESS advised him that he had a full office in Hong Kong with a broker/dealer license capitalized at ten million Hong Kong dollars. COOPERATING WITNESS stated that he had just set up a small foreign currency operation for approximately ten traders. He

1/19/88

Newtown Square, Pa.

PH 196A-2296 (NSRA)

Investigation on _____

File # _____

SA [redacted]

nmn

1/19/88

by _____

Date dictated _____

COOPERATING WITNESS

1/19/88

2

Continuation of FD-302 of _____, On _____, Page _____

stated that he had portfolio managers, one British and one Chinese. He advised that he had been dealing with three sales groups out of Taipei, one which specializes in real estate and property management, and does approximately one and a half million dollars U.S. per month for a company called GENERAL DEVELOPMENT in Florida. COOPERATING WITNESS stated that the other two groups are involved in commodities and that they were interested in doing equities.

KOTT stated that he also does commodities and financial futures and that he has his records documented by [] which certify that for the past 17 months his company has earned 84 percent for its clients after deductions of sales commissions and expenses and 15 percent of gross for profit. KOTT stated that these facts were set forth in an ad that his company was running from Luxembourg.

COOPERATING WITNESS stated that his company also had meetings with [] at which point KOTT interrupted stating that his company had the people. He stated that the group is named Bridgewater and that they are advisors to 800 million dollars. KOTT stated that Bridgewater was a very important name and that his company was tied up with them very closely. He stated that the record speaks for itself. KOTT stated that COOPERATING WITNESS could run an ad that people made 84 percent and that it could be documented. KOTT stated that his company was a member of the Luxembourg Stock Exchange. He stated that his company was very conservative, that for every dollar invested they will gross 60 to 70 percent.

COOPERATING WITNESS stated that "his Saudis" who are his principal shareholders, [] have put them in touch with [] in New York.

KOTT told COOPERATING WITNESS to forget about [] that his company could make enough. KOTT stated he could show COOPERATING WITNESS what he has and that he could show COOPERATING WITNESS that everybody wants to tie up with his company under their financial futures. KOTT stated that his head trader won an award for making 5,000 percent over four months. KOTT stated that this was in a competition of all traders around the world and that that could be documented.

COOPERATING WITNESS

1/19/88

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Continuation of FD-302 of _____, On _____, Page _____

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COOPERATING WITNESS told KOTT that he was going to New York and Philadelphia the following Monday for some sessions and asked about the possibility of getting together with KOTT. COOPERATING WITNESS stated that one of his Saudis is coming to Washington and New York and was interested in selling some casino in Atlantic City. COOPERATING WITNESS stated that the guy in Philadelphia has been "flogging" it in Taipei, Hong Kong, and Manila, and is paying 32 percent commission. COOPERATING WITNESS stated that the guy in Atlantic City wanted COOPERATING WITNESS to see it.

KOTT told COOPERATING WITNESS he could get COOPERATING WITNESS his spread, that he had a little company, 26 percent of which is owned by HITACHI. KOTT stated that his company was in a joint venture with N.A. SEMI-CONDUCTORS, and was doing over a hundred million dollars in volume this year. KOTT stated the company had fifth generation software, a "who's who" of shareholders, and is listed on the NASDAQ selling at 45 cents. He stated they were recently written up in "Business Week" magazine, and that they sell to "Fortune 500" companies. KOTT stated that there was a lot of spread in this company. He stated that there were 22 market makers and that it would not be like 144 stock because it is free trading stock. KOTT stated that he had been around too long in the business and that this was the only thing he dealt in "up here". KOTT stated that he knew COOPERATING WITNESS did not want to come to "up here" (to Canada) but that COOPERATING WITNESS should not have a problem.

COOPERATING WITNESS told KOTT that when he got to New York he would call his lawyer and do some checking. KOTT asked COOPERATING WITNESS if he had a lawyer in Canada and COOPERATING WITNESS told him that he did not. KOTT asked what was the problem with [REDACTED] COOPERATING WITNESS told KOTT that that went back to Nassau when [REDACTED] was screwing around with gold certificates and had a newsletter. COOPERATING WITNESS told KOTT that he did not get involved with [REDACTED] and that that was the approximate time [REDACTED] was picked up in Mexico.

COOPERATING WITNESS

1/19/88

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Continuation of FD-302 of _____, On _____, Page _____

KOTT told COOPERATING WITNESS that [] had no problem in coming into Canada, and that [] had been in Montreal three months ago. COOPERATING WITNESS told KOTT he would call him from New York and that his lawyers had some friends in the [] who would check things for him.

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KOTT told COOPERATING WITNESS his son was in New York for the next two weeks and that if he wanted to he could meet with him in New York. He told COOPERATING WITNESS he could see his operation in New York. He stated that the company had four offices in New York, had 12 offices nationally and had 400 salesmen. KOTT told COOPERATING WITNESS he could meet with his son on Monday when he got to New York and that possibly they could travel together to Montreal. KOTT told COOPERATING WITNESS he would give COOPERATING WITNESS a pick of the stocks, that he had approximately 45 different deals to offer. KOTT then furnished COOPERATING WITNESS with telephone numbers where he could be reached in Canada, telephone number [] (home) and telephone number [] (weekends).

At this point the above conversation was terminated.

FEDERAL BUREAU OF INVESTIGATION

1/25/88

Date of transcription _____

At approximately 1:30 PM, a consensually monitored and recorded telephone call was placed from telephone number [redacted] in Newtown Square, Pa., to telephone number [redacted] in Montreal, Quebec, Canada, connecting [redacted] COOPERATING WITNESS, who was in California, with IRVING KOTT, who was in Canada.

COOPERATING WITNESS told KOTT that he would not be arriving in New York until the evening, and he asked KOTT if he would call his [redacted] and tell him that COOPERATING WITNESS would be contacting him the following morning. KOTT told COOPERATING WITNESS not to worry about that, and that he should call KOTT when he arrived in New York and that he would arrange everything for him.

At this point the conversation was terminated.

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1/25/88

Newtown Square, Pa.

PH 196A-2296 (NSRA)

Investigation on _____ at _____ File # _____

SA [redacted]

nmn

1/25/88

by _____ Date dictated _____

1

FEDERAL BUREAU OF INVESTIGATION

b6
b7cDate of transcription 2/1/88

~~COOPERATING WITNESS (CW)~~ advised that on January 26, 1988 he had met with [REDACTED] [REDACTED] GREEN TREE SECURITIES CORPORATION, INVESTMENT BANKERS, 67 Broad Street, New York City, New York.

CW advised that he discussed his Hong Kong business with [REDACTED], and showed them various financial documents. He stated that this was a repeat of a discussion he had had with [REDACTED] IRVING KOTT one week earlier.

CW stated [REDACTED] told him that they had 12 offices in the United States and approximately 400 salesmen (broker/dealers). He stated that they told him that GREEN TREE SECURITIES would be expanding even more in the near future and was very active in Europe, although they had not yet expanded to Asia.

CW stated that they told him that GREEN TREE SECURITIES had substantial interests and dealings in Luxembourg, and that there were presently two or three companies which were ideally suited for CW needs in the Hong Kong markets. CW stated that from the conversation he had with [REDACTED] it was quite apparent to him that GREEN TREE SECURITIES was a large operation, making markets in several hundred different stocks. He stated that they told him they were presently bringing three to four new issues to market. CW stated that while he was at GREEN TREE SECURITIES, [REDACTED] IRVING KOTT, and that CW spoke to IRVING KOTT, telling him that he was impressed with GREEN TREE's operation and that it appeared his financial problems were solved. He stated that he told IRVING KOTT that when he got together with him they could make a deal. He stated that IRVING KOTT told him that the deal did not have to be done in New York.

CW stated that it was his evaluation of GREEN TREE SECURITIES that the company was "just on the line and wouldn't hesitate to step over".

(X)
FHS

Investigation on 1/27/88 at Newtown Square, Pennsylvania File # Philadelphia 196A-2296 (NSRA)
by SA [REDACTED] :acg Date dictated 1/29/88

FEDERAL BUREAU OF INVESTIGATION

1/21/88

Date of transcription _____

At approximately 3:20 PM, a consensually monitored and recorded telephone call was placed from telephone number [redacted] in Newtown Square, Pa., to telephone number [redacted] in Montreal, Quebec, Canada, connecting [redacted] COOPERATING WITNESS, who was in California, with IRVING KOTT, who was in Canada. b6 b7C

COOPERATING WITNESS told KOTT that he would be in New York on Monday, and would be meeting with a lawyer who would be checking on his possibility of traveling to Canada. KOTT told COOPERATING WITNESS that his son would be in New York also and asked COOPERATING WITNESS where he would be staying. After a discussion about hotels, during which COOPERATING WITNESS repeated his plans and his intentions of traveling to Canada, KOTT told COOPERATING WITNESS that he could find out what COOPERATING WITNESS'S status was concerning a trip into Canada "in a minute". KOTT told COOPERATING WITNESS to give him his birth date and everything and "I can call somebody in New York", who will pull the computer and check things. KOTT stated that there would be no problem as the other guy comes and goes all the time. COOPERATING WITNESS asked [redacted] to which KOTT replied "Yeah". COOPERATING WITNESS asked KOTT if he knew [redacted] (phonetic) or [redacted] (phonetic). KOTT stated that he did not know [redacted] [redacted] used to work for him.

COOPERATING WITNESS told KOTT that he had talked to his people in Hong Kong and to his people at the BCC Bank, and that he thought that he and KOTT had some business to do. KOTT stated that his company does a lot of business with BCC Bank. (X) [initials]

At this point the conversation was terminated.

1/21/88

Newtown Square, Pa.

PH 196A-2296 (NSRA)

Investigation on _____ at _____ File # _____

SA [redacted] :nmn

1/21/88

by _____ Date dictated _____

1

FEDERAL BUREAU OF INVESTIGATION

2/19/88

Date of transcription _____

At approximately 10:15 a.m., a consensually monitored and recorded telephone call was placed from telephone number [redacted] to telephone number [redacted] connecting SOURCE with [redacted]

SOURCE advised [redacted] that he would be in West Palm Beach on the following Wednesday and asked if he could get together with [redacted]. [redacted] advised that he was traveling to New York and would not be available. [redacted] then asked SOURCE if he had ever gotten in touch with "somebody in Luxembourg". SOURCE advised that he had spoken to a Mr. [redacted] but that he would still like to meet with [redacted] or with [redacted] (i.e. [redacted]).

[redacted] advised that the best way to work out an arrangement would be to deal through the people in Luxembourg. SOURCE stated that he understood that but that he would still prefer to speak to [redacted] or to [redacted] before making any arrangements. He advised [redacted] that he would re-contact him on Wednesday, either in Florida or in New York.

At this point the conversation was terminated.

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Investigation on 2/16/88 at Newtown Square, Pennsylvania File # Philadelphia 196A-2296(NSRA)
by SA [redacted] acg Date dictated 2/18/88

FEDERAL BUREAU OF INVESTIGATION

3/4/88

Date of transcription _____

At approximately 10:45 AM, a consensually monitored and recorded telephone call was placed to telephone number [redacted] from telephone number [redacted] connecting COOPERATING WITNESS, who was in Los Angeles, Calif., with an unknown female, who was in Montreal, Quebec, Canada.

The unknown female advised COOPERATING WITNESS that IRVING KOTT was out of town. COOPERATING WITNESS left a message for IRVING KOTT that he was leaving for Hong Kong that evening and asked for KOTT to call him. He then asked and received KOTT'S facsimile number, 514-288-4196, from the unknown female.

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Investigation on 3/1/88 at Newtown Square, Pa. File # PH 196A-2296 (NSRA)
by SA [redacted] nmj Date dictated 3/3/88 *SUB E*

FEDERAL BUREAU OF INVESTIGATION

2/29/88

Date of transcription _____

At approximately 4:15 PM, a consensually monitored and recorded telephone call was placed to telephone number [REDACTED] from telephone number [REDACTED] connecting COOPERATING WITNESS, who was in Los Angeles, Calif., with IRVING KOTT, who was in Montreal, Quebec, Canada.

COOPERATING WITNESS advised KOTT that he had gone to Seattle, but that "after some exercises", he decided he was not "going for it" (i.e., entering Canada via Vancouver). COOPERATING WITNESS told KOTT that he was doing a closing in Hong Kong, and was leaving for Hong Kong the following Monday for seven to eight days. He stated that thereafter he was going to London from which he would return to the United States. He stated that he had a portfolio management company, Asian-American Equities, which was doing very well in Hong Kong and that would soon be ready to do some placements. He requested KOTT to be a little patient with him, adding that he had just gotten another million into the capital structure. He further told KOTT that he had just gotten a broker dealer license and that the company was now in a position to do some serious business. He advised KOTT that he would call him from Hong Kong, and that they would thereafter set a schedule.

KOTT told COOPERATING WITNESS that he was just on the verge of buying an existing bank in Grand Cayman which managed \$300 million. He stated they are in Latin America, Luxembourg, Grand Cayman, and the United States.

COOPERATING WITNESS advised KOTT that he had just gotten his unofficial approval for sponsorship in Korea.

KOTT advised COOPERATING WITNESS he had two underwritings which just came out and which were highly successful, both of which were up 40 or 50 percent. KOTT told COOPERATING WITNESS he did not care what COOPERATING WITNESS took, but that he would just like to break bread with him and do some business.

Investigation on 2/26/88 at Newtown Square, Pa. PH 196A-2296 (NSRA)
by SA [REDACTED] nmh File # (SUB-E)
Date dictated 2/29/88

COOPERATING WITNESS

2/26/88

2*

Continuation of FD-302 of _____, On _____, Page _____

COOPERATING WITNESS told KOTT he was going to have his schedule arranged on the following Monday, and that he would call KOTT on Monday and leave it with KOTT'S secretary.

KOTT stated that he was going to Vancouver on Monday at 5:00 PM, in connection with another underwriting that was coming out in the next ten days. He stated that it was a two and a half million dollar underwriting and that COOPERATING WITNESS could take whatever he wanted, from ten shares to a half million. He told COOPERATING WITNESS he would send him a prospectus for the underwriting in Hong Kong.

COOPERATING WITNESS asked KOTT when the bank was going to be done, and KOTT told him at the beginning of next week, in Grand Cayman. He told that the bank had been in business for 12 years, and that it had its own license and building. He stated that the bank is owned by different shareholders who have nothing to do with the United States or Canada.

1

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/11/88

SOURCE placed a telephone call to IRVING KOTT on this date at approximately 10:30 a.m. to telephone number [redacted]. The telephone conversation was recorded utilizing a Morantz Recorder as the call was relayed through telephone number [redacted].

[redacted] The following is a summary of that conversation:

SOURCE told KOTT that he was calling from Singapore and that he would be going to Hong Kong on the following day. SOURCE asked KOTT if he had received the thing that he had sent him because he wanted to bring KOTT up to date on what his company was doing. SOURCE advised that the reason he was doing this was so that when he came in for the meeting everything would be prepared.

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b7C

KOTT advised that he did receive a package from SOURCE and that he had a new issue breaking April 7th. KOTT told SOURCE that it was a winner and that it would open at a premium and that it is on NASDAQ. KOTT went on to state that it was quite a deal and that he could give SOURCE quite a bit of stock just to get his feet wet on this project and to see what SOURCE could do. SOURCE told KOTT that he liked the idea and that he would be going to Hong Kong for two days and then London for two days, and then he would return to New York. SOURCE asked KOTT if he, KOTT, could get SOURCE anything on the issue and send it out to his Hong Kong Office. KOTT told SOURCE that the prospectuses are being printed now and that they would be out on the following day. KOTT went on to say that when SOURCE returned that he will send all the prospectuses and all the pieces, everything that SOURCE would want on the new issue.

KOTT told SOURCE that he also has another issue for SOURCE which would be a telephone deal that is on the NASDAQ and that they are doing very well with. KOTT stated that the stock has moved from 1 1/2 to 2 3/8, bid, in the last two weeks and it should be going much higher. SOURCE told KOTT that he was anxiously waiting to sit down with him and work out the formulas. KOTT told SOURCE that he is ready for him and that he noticed that he had his license approved in February. SOURCE told KOTT that that was

Investigation on 3/8/88 at Newtown Square, Pennsylvania File # Philadelphia 196A-2296(NSRA)
by SA [redacted] acg Date dictated 3/9/88

PH 196A-2296

SOURCE

3/8/88

2

Continuation of FD-302 of _____, On _____, Page _____

correct and that he now needs good counseling where he should go from here. KOTT told SOURCE not to worry, that he would not lead him down the wrong path. SOURCE told him good, and that he would talk to KOTT from London and tell him what his schedule was from there. SOURCE stated that that would be fine and that after that they could meet.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 2/12/88

SOURCE placed a telephone call to IRVING KOTT on this date at approximately 3:00 p.m. to telephone number [REDACTED]. This telephone call was recorded utilizing a Morantz Recorder as the call was relayed through telephone number [REDACTED]. The following is a summary of that conversation:

When KOTT answered the telephone he told SOURCE that he had not left his office for two weeks. SOURCE explained that there was a delay in calling KOTT because SOURCE's mother had passed away. KOTT stated that no more explanation was needed.

SOURCE then stated that proceeding with his program with KOTT, SOURCE's guy told him not to go into Canada. SOURCE told KOTT that he was considering driving across the border in Vancouver. KOTT told SOURCE that that would be the easiest thing in the world. SOURCE told KOTT that he had just finished a deal in Vancouver and that one of his directors is Canadian in Vancouver, yet he is still not sure as to whether he should go into Canada but he would let KOTT know if he planned to do that. SOURCE then asked KOTT that assuming he could not go to Canada, where else in the world could they meet. KOTT told SOURCE that they would then meet somewhere in the states, but that he should find out first whether he was going to Canada. *gkx*

SOURCE told KOTT that he had told his people in Hong Kong that they would soon have some product to sell there. He told KOTT that the product must be able to stand due diligence. KOTT told SOURCE that he would not do it if it would not stand good due diligence. SOURCE told KOTT that the SAUDIES were just starting to buy and that his position for EARTHWARE shares the NASDAC company, in which he picked up 400,000 shares between \$1 and \$1.50, were beginning to sell. SOURCE told KOTT that he did not have anything else to sell at the moment.

KOTT told SOURCE that he had more product than he knew what to do with and SOURCE asked if it was over the counter or NASDAC. KOTT told SOURCE that was all NASDAC listed and had

b6
b7C

Investigation on 2/11/88 at Newtown Square, Pennsylvania File # Philadelphia 196A-2296(NSRA)
by SA [REDACTED]: acg Date dictated 2/11/88

PH 196A-2296

SOURCE

2/11/88

2

Continuation of FD-302 of _____, On _____, Page _____

earnings. He told SOURCE that he had everything for the stocks. KOTT also stated that he had prepared for SOURCE a review of the stocks from a guy who was quoted in Barrons. He told SOURCE that this guy's record shows 5,000 percent for four months and that that was quoted in Barrons. KOTT also stated that he had some pay telephone where the mark up was excellent on the stock and which was selling for \$3.00 per share. KOTT told SOURCE that he thought that it was going to have a dramatic move there and that he had lined up all the products for SOURCE and that SOURCE should take what he could sell and move slowly if he had to.

SOURCE told KOTT that he will talk to [REDACTED] (phonetic) tonight and see what can be done through [REDACTED] KOTT told SOURCE that he had his associate with him and that if necessary he would fly down to SOURCE and discuss business with him. SOURCE thought that was very good and the conversation was concluded.

b6
b7C

FEDERAL BUREAU OF INVESTIGATION

1/29/88

Date of transcription

SOURCE made a telephone call to IRVING KOTT on this date at approximately 11:20 a.m. to telephone number [REDACTED]. The telephone conversation was recorded utilizing a Morantz Recorder as it was being relayed through telephone number [REDACTED]. The following is a summary of that conversation:

SOURCE told KOTT that he was delighted with all the possibilities that had been discussed when he was talking to [REDACTED]. SOURCE also said that he had a session with [REDACTED] today and he is concerned about SOURCE going to Canada. SOURCE believes that there is still some leftover flack from [REDACTED] and this is the reason he is concerned about going to Canada. SOURCE told KOTT that he was going to meet with [REDACTED] again today.

b6
b7C

KOTT told SOURCE that he did not think there was a problem and that he could pull out any information regarding SOURCE from a computer. SOURCE suggested that KOTT ought to do that. KOTT told SOURCE that he would tell SOURCE if there is anything in the computer and that all SOURCE had to do is give him his full name, address, birth, and everything like that. SOURCE then gave KOTT his full name and address. KOTT told SOURCE that when you come into Canada at the border the authorities do not ask for any identification. KOTT went on to state that they do not ask for birth dates, they ask for nothing. KOTT stated that all you say to the border guards is whether you are there for business or for other reasons, and then the border guard will leave you through. KOTT reiterated that they do not look up anything at the borders and that SOURCE should believe him. He told SOURCE that he was not trying to get him in any trouble. SOURCE told KOTT that he would feel a lot better if KOTT would check through the computer.

KOTT told SOURCE that he was going to do that right now and that SOURCE was to give him his birth date which is the most important thing. SOURCE then gave KOTT his birth date. KOTT asked SOURCE if he was born in the United States and SOURCE told

Philadelphia

1/27/88

Newtown Square, Pennsylvania 196A-2296(NSRA)

Investigation on

SA

at

acg

File #

1/27/88

by

Date dictated

PH 196A-2296

SOURCE

1/27/88

2

Continuation of FD-302 of _____, On _____, Page _____

him that he was. KOTT told SOURCE to forget about everything concerning a fear to come into Canada because KOTT would take care of everything. KOTT told SOURCE that in Canada he would have no problems. KOTT then went on to state that he would call his man in New York who will punch it into the computer and then KOTT would relay that information onto SOURCE. KOTT interrupted the conversation to call his secretary, [REDACTED] and he told her to get [REDACTED] on the phone. KOTT then told SOURCE that he would get a hold of the guy and punch in the queue. SOURCE told KOTT that that would be great. KOTT told SOURCE that he did not care what [REDACTED] says and that if there was something wrong he would tell SOURCE not to come to Canada. KOTT then mentioned that the other guy comes in and out of the country. KOTT told SOURCE that SOURCE should get back to him later in the afternoon.

b6
b7C

FEDERAL BUREAU OF INVESTIGATION

4/6/88

Date of transcription _____

At approximately 2:45 PM, a telephone call was placed from [redacted] in Newtown Square, Pa., to telephone number [redacted] in Montreal, connecting COOPERATING WITNESS, who was in London, England, with IRVING KOTT. The call, which was consensually monitored and recorded, was as follows:

COOPERATING WITNESS asked KOTT if he had received the things that [redacted] had sent, and KOTT stated that he had received a package from a brokerage house in Hong Kong. COOPERATING WITNESS stated that he also had sent something else on the issues that "we were in". KOTT stated that he had not yet received that package.

COOPERATING WITNESS stated that he had made arrangements in Saudi and that the companies, shareholders, and directors were doing another one million dollar capitalization increase for the Hong Kong company so that they would soon be in a fairly good position. COOPERATING WITNESS stated he had discussed a possible joint venture with KOTT'S group if it could be worked out and that the Saudis were very positive to do something in that area.

b6
b7C

KOTT stated that his group was also in Luxembourg, and that they were soon opening in Paris, France with a bank operated by some Lebanese people, mentioning the names [redacted] (phonetic) and [redacted]. COOPERATING WITNESS stated that he knew a [redacted] as the operator of the Lebanese-French bank in France, who was a good friend. COOPERATING WITNESS stated that he also knows [redacted] adding that he is very substantial and that he was the representative for [redacted] in Beirut.

KOTT stated that that was with whom his group was involved and that those individuals were flying over to the United States to make an association with Greentree.

Investigation on 3/25/88 at Newtown Square, Pa. PH 196A-2296 (NSRA)
by SA [redacted] nmj File # (SUB E)
Date dictated 3/31/88

COOPERATING WITNESS

3/25/88

2 *

Continuation of FD-302 of _____

, On _____

, Page _____

COOPERATING WITNESS stated that he was going to be in London for a few more days to line up some brokers and was then returning to the United States. He stated that the first few days after Easter weekend he had meetings scheduled in Washington and New York. He asked KOTT when his new issues were coming out and KOTT responded that he had one COOPERATING WITNESS should not miss. KOTT stated that he was looking for four to five hundred percent gain on this issue. COOPERATING WITNESS asked about the size of the issue and KOTT told COOPERATING WITNESS he did not want COOPERATING WITNESS to worry about the size, he did not want him to take a lot of stock. He told COOPERATING WITNESS to take "just a small piece, just to taste it".

b6
b7C

COOPERATING WITNESS asked what was the stock and KOTT told him that it was a company called SMY (unintelligible), further describing it as what the United States is for manufacturing to put them into competition with the Japanese. He advised that companies such as AT & T, NORTHERN TELECOM, and [] are the type of people involved in the deal. KOTT told COOPERATING WITNESS that he had two companies similar to that and that he wanted to see COOPERATING WITNESS very soon. He described the new issue as over-subscribed but that he figured COOPERATING WITNESS would appear somewhere and that he had held back a few shares in the event COOPERATING WITNESS wanted them. He told COOPERATING WITNESS he could have the shares at the offering underwriting price.

COOPERATING WITNESS told KOTT that that would be a good start for his people and that he would advise KOTT as soon as he returned from London. He told KOTT that he would call him to set a definite schedule upon his return and that he would then be ready to do some business.

FEDERAL BUREAU OF INVESTIGATION

4/19/88

Date of transcription _____

At approximately 10:15 AM, a consensually monitored and recorded telephone call was placed from telephone number [redacted] in Newtown Square, Pa., to telephone number [redacted] in Montreal, Canada, connecting COOPERATING WITNESS, who was in Washington, D.C., with IRVING KOTT.

COOPERATING WITNESS advised KOTT that he was now back in the United States and was calling to see if he could get together with KOTT. He had stated that his managing director from the Hong Kong company, one [redacted] (phonetic), would be coming to the United States in one week.

b6
b7C

KOTT stated that he was ready to do business and that he had a new issue coming out on the 20th of the month which would open at a 40 to 50 percent premium. He told COOPERATING WITNESS that he should participate in the issue and identified it as "CYMM". KOTT stated that the issue had five shares and four warrants at \$5.00 a unit.

COOPERATING WITNESS asked KOTT if he could send him some information on it because he wanted to take a piece of it. KOTT told COOPERATING WITNESS to call his [redacted] at telephone number [redacted] [redacted] that he would take care of COOPERATING WITNESS. He told COOPERATING WITNESS that he would call his son first to tell him to expect COOPERATING WITNESS'S call. He told COOPERATING WITNESS that he had kept some of the issue aside for COOPERATING WITNESS because it is oversold at the present. He stated that his friend who is a partner on the bank in Paris is here (i.e., Canada), and that the brokerage firm is in operation in Luxembourg. KOTT told COOPERATING WITNESS that he wanted to meet with him, but COOPERATING WITNESS stated that he did not know when he would be free. KOTT could then be heard asking another individual at his, KOTT'S, end of the line when he was returning to Luxembourg and addressing this individual as [redacted] KOTT then stated to COOPERATING WITNESS that [redacted] would be with KOTT until the end of the month.

COOPERATING WITNESS told KOTT that he had several days work to do in New York in two weeks when [redacted] came to the United States.

~~COOPERATING WITNESS asked KOTT how his bank in Cayman was going and KOTT told him that he had everything rolling there.~~

Investigation on _____ at _____ File # _____
4/8/88 Newtown Square, Pa. PH 196A-2296 (NSRA)

by SA [redacted] nm Date dictated 4/13/88

FEDERAL BUREAU OF INVESTIGATION

4/19/88

Date of transcription _____

At approximately 10:25 AM, a consensually monitored and recorded telephone call was placed from telephone number [redacted] in Newtown Square, Pa., to telephone number [redacted] in Miami, Fla., area connecting COOPERATING WITNESS, who was in Washington, D.C., with [redacted]

COOPERATING WITNESS told [redacted] that he had just spoken to his [redacted] IRVING, [redacted] acknowledged that he was aware of this. COOPERATING WITNESS asked [redacted] about the issue which was coming out on the 20th and [redacted] stated that it was an issue named "CYMM" which would be sold at \$5.00 a unit, each unit being for common and two warrants. COOPERATING WITNESS stated that he wanted to get three or four prospectuses on the issue, requiring two or so for his Saudi friends and one for his Hong Kong office. COOPERATING WITNESS then furnished [redacted] with an address where the prospectuses could be sent. COOPERATING WITNESS then told [redacted] that he would be in New York the following week with his Hong Kong managing director [redacted] (phonetic) and with one of the Saudi's, and [redacted] stated that he would be sure to be there. COOPERATING WITNESS asked [redacted] how much of the CYMM stock was available and [redacted] stated that he did not know but that he would work backwards from the number COOPERATING WITNESS desired.

b6
b7c

Investigation on 4/8/88 at Newtown Square, Pa. File # PH 196A-2296 (NSRA)
by SA [redacted] :nmn Date dictated 4/13/88

FEDERAL BUREAU OF INVESTIGATION

4/26/88

Date of transcription _____

At approximately 2:45 PM, a consensually monitored and recorded telephone call was placed from telephone number [redacted] in Newtown Square, Pa., to telephone number [redacted] in Montreal, Canada, connecting COOPERATING WITNESS, who was in Beverly Hills, Calif., with IRVING KOTT.

COOPERATING WITNESS advised IRVING KOTT that he had spoken to his [redacted] and had received all the paperwork on Monday and had sent to Saudi. He told KOTT that he would let [redacted] know by the end of the day concerning his interest in purchasing the CYMM stock issue. He stated that he did not know how much the Saudi's would be taking but that [redacted] would let him know how much was available. He told KOTT that his managing general director from Hong Kong, [redacted] (phonetic), and one of the other directors were coming to New York the following week and would be there Wednesday, Thursday and Friday. He asked KOTT if it would be possible to meet with him in New York and KOTT stated that he would be available for such a meeting.

b6
b7C

Investigation on 4/14/88 at Newtown Square, Pa. File # PH 196A-2296 (NSRA)
by SA [redacted] :nmn Date dictated 4/20/88

FEDERAL BUREAU OF INVESTIGATION

4/25/88

Date of transcription _____

At approximately 4:25 PM. a consensually monitored and recorded telephone call was placed from telephone number [redacted] in Newtown Square, Pa. to telephone number [redacted] in New York City, N Y connecting COOPERATING WITNESS with MICHAEL KOTT.

COOPERATING WITNESS advised KOTT that he had received the prospectus sent to him by KOTT and had forwarded it to his friends in Saudi. He stated that he would be talking to his friend in Saudi later in the day and he asked KOTT when the stock issue was coming to market. KOTT advised that he was attempting to get all the money for the issue by the following Friday and COOPERATING WITNESS expressed surprise at the short deadline. He stated that he had to talk to his partners and would get back to KOTT. KOTT advised COOPERATING WITNESS that the absolute deadline would be the following Monday because they did not have much of the issue left. COOPERATING WITNESS indicated that he and his principals would probably take a "small piece" of the issue, possibly \$100,000 or \$200,000. KOTT told COOPERATING WITNESS he would figure it out and would get back to COOPERATING WITNESS.

b6
b7C

COOPERATING WITNESS asked KOTT if all the outstanding 9.3 million shares of the issue were owned by insiders and KOTT advised that they were and would be tied up for 18 months. COOPERATING WITNESS asked KOTT if this was an initial public offering and KOTT said no that a private placement had already occurred with the original insiders. COOPERATING WITNESS asked KOTT if there was any chance of picking up some of the inside issues at a discount and KOTT said that he had nothing to do with that because those shares were owned by the founders of the company. He asked COOPERATING WITNESS what he normally took as a discount on 144 stock and COOPERATING WITNESS stated that because this issue looked pretty good it would probably not be important. COOPERATING WITNESS told KOTT he would get him a commitment before the end of the following day.

Investigation on 4/13/88 at Newtown Square, Pa. File # PH 199A-2296 (NSRA)

by SA [redacted] nm Date dictated 4/19/88

PH 196A-2296

1

DATE: 2/26/88

TIME: 4:15 pm

UF:

[REDACTED]

UF:

[REDACTED]

UF:

[REDACTED]

UF:

IK:

[REDACTED]

IK:

[REDACTED]

IK:

[REDACTED]

IK:

[REDACTED]
IK-IRVING KOTT
UF-UNIDENTIFIED FEMALE
UI-UNINTELLIGIBLE

Good afternoon, 1013.

[REDACTED]

Hello?

Mr. Irving Kott please.

Who's calling?

[REDACTED]

One moment. (Pause) Just a
second.

Hello.

[REDACTED]

I thought you were dead already.

(Laughing) (UI) Irving, you haven't
given up on me have you?

Christ I hear from you, like you,
you appear like from the man from
the blue every once in a while.

[REDACTED]

Right.

196-2296-5563

PH 196A-2296

2

IK:

Right.

IK:

Right.

IK:

Right.

b6
b7C

IK:

[REDACTED]

All right because I'll tell you something we are ah, you know we're also just on the verge of closing, buying a ah, an existing bank in Hong Kong they manage \$300,000,000...

[REDACTED]
IK:

[REDACTED]
...I mean in Grand Cayman, excuse me.

[REDACTED]
IK:

[REDACTED]
Yeah.

[REDACTED]
IK:

[REDACTED]
Okay.

[REDACTED]
IK:

[REDACTED]
Well it's good, it's closing it's gonna close actually next week.

[REDACTED]
IK:

[REDACTED]
So you, you know we're in Latin America, we're in Luxembourg, we're in Grand Cayman we're in the States of course.

b6
b7C

IK:

[REDACTED]

IK:

[REDACTED]

IK:

[REDACTED]

IK:

[REDACTED]

IK:

[REDACTED]

IK:

[REDACTED]

IK:

Right.

[REDACTED]

We have two underwritings that have come out since then which are very successful, they're up about 40, 50 percent.

[REDACTED]

Yeah.

[REDACTED]

You have to take much, I don't care what you take, it's just the idea I'd like to break bread to do business.

[REDACTED]

Right.

[REDACTED]

I'm going to Vancouver on ah, Monday at 5:00 o'clock.

[REDACTED]

You know I'm telling you there's such, you know, I'm not kidding you

but there's, there's such things
that we're doing here that we're
just getting in, there's another
underwriting coming through in the
next ten days I mean and they're,
they're increasing their sales tax
I can't, what can I tell you, I can
only tell you what we're doing.

[REDACTED]

IK:

[REDACTED]

It's a two and a half million
dollar underwriting. You can take
it, you can take from ten shares to
a half a million, I don't care, we
don't care what you do.

[REDACTED]

IK:

[REDACTED]

Well that's what I said. I can
send you the prospectus of it.

[REDACTED]

IK:

[REDACTED]

There's no problem send everything
down to me when you call on Monday
give me all the information I'll
send it out to you.

b6
b7C



IK:

The bank is done the beginning of the week.



IK:

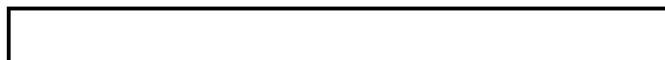
No, no, Luxembourg is finished they're up, this is out of Grand Cayman separate entity completely.



IK:

No, no, no, no, we're doing it ourselves. The bank's been in business for ah, 12 years. It's got a license they own their own building. They're one of the (UI)...

b6
b7C



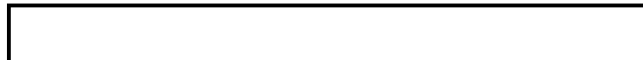
IK:

No, no, no, no, the ownership of the....



IK:

...bank is owned by ah, by, by different share holders which is got nothing to do with the U.S. or anything else like that (UI)...



PH 196A-2296

7

IK:

[REDACTED]

None whatsoever.

[REDACTED]

IK:

[REDACTED]

None whatsoever.

[REDACTED]

IK:

[REDACTED]

Okay so...

[REDACTED]

IK:

[REDACTED]

...I'm waiting for you.

All right there Irving...

IK:

[REDACTED]

Okay?

[REDACTED]

IK:

[REDACTED]

All right my friend.

[REDACTED]

IK:

[REDACTED]

Bye.

[REDACTED]

That was a call to telephone number
[REDACTED] in Montreal on
2/26/88, placed at approximately
4:15 pm.

b6
b7C

PH 196A-2296
1

DATE: 3/1/88
TIME: 10:45

b6
b7C

[REDACTED]
UF-UNKNOWN FEMALE
UI-UNINTELLIGIBLE

UF:

Good morning 1013.

[REDACTED]

Yes, Mr. Kott please.

UF:

I'm sorry he's not here, who's
calling?

[REDACTED]

[REDACTED]

UF:

I have no idea he's out of town
today.

[REDACTED]

[REDACTED]

UF:

I'll tell him you called though if
you leave me your number when he
calls me.

[REDACTED]

[REDACTED]

UF:

Yes.

[REDACTED]

[REDACTED]

UF:

Hm hmmm.

[REDACTED]

[REDACTED]

UF:

Yes we do. The area code is [REDACTED].

[REDACTED]

[REDACTED]

146-2293-5156
4

PH 196A-2296

2

UF:

[REDACTED]

UF:

[REDACTED]

UF:

[REDACTED]

UF:

[REDACTED]

UF:

[REDACTED]

UF:

[REDACTED]

UF:

[REDACTED]

UF:

[REDACTED]

...the FAX number is 288..

[REDACTED]

...4196.

[REDACTED]

Hm hmm.

[REDACTED]

Hm hmm.

[REDACTED]

Very good. Same area code?

[REDACTED]

Okay.

[REDACTED]

Right.

[REDACTED]

You're welcome.

[REDACTED]

The previous call was made by
[REDACTED] to Irving Kott at
telephone number [REDACTED] on
3/1/88, at approximately 10:45.

b6
b7C

④
R/K

SEARCHED	INDEXED
SERIALIZED	FILED
MAY 12 1988	
	ADELPHIA
	R/K

b6
b7C

196A-2296-5 (SUB G)

PH 196A-2296

1

DATE: 4/8/88

TIME: Approximately 10:15 A.M.

UF - UNIDENTIFIED FEMALE

IK - IRVING KOTT

UI - UNINTELLIGIBLE

(Special Agent)

UF:

(UI)

UF:

Hello?

UF:

Yes, Irving Kott please.

Whose calling please?

UF:

One moment.

IK:

Hello.

IK:

Hi

IK:

Hello Irving, how are you?

Fantastic.

IK:

Phenominal.

IK:

Good.

Ah Irving I'm back and I wanted to ah...see what
ah...you're time looked like. I have our managing

(phonetic) coming in a (CLEARS
THROAT) week from today.

IK:

Right.

b6
b7C

PH 196A-2296

2

[REDACTED]

IK:

[REDACTED]

[REDACTED] I'm ready but...I have a new issue coming out on the twentieth you should participate. It'll open up forty...fifty percent premium.

[REDACTED]

IK:

[REDACTED]

Yup.

[REDACTED]

IK:

[REDACTED]

It's a Sim (phonetic). It's a...it's with Schlumber-Jack (phonetic) I can send you the prospectus. It's no problem. It's coming out. It's five dollars. It's got four shares and two warrants.

b6
b7C

[REDACTED]

IK:

[REDACTED]

Five dollars a unit consists of four shares and two warrants.

[REDACTED]

[REDACTED]

IK:

Okay...hold it...can you do me a favor?

[REDACTED]

[REDACTED]

IK:

Could you call [REDACTED]

[REDACTED]

[REDACTED]

IK:

I'd like to do 3...0...5.

[REDACTED]

[REDACTED]

IK:

[REDACTED]

[REDACTED]

[REDACTED]

IK:

[REDACTED]

[REDACTED]

PH 196A-2296

3

IK:

And I'll tell him you're calling him right away because it's way oversold.

[REDACTED]

[REDACTED]

IK:

And I kept a bid for you now I got my guy...you know I told you about my friend...ah who's ah...going partners with these people. He gave me the name in Paris...right?

[REDACTED]

[REDACTED]

IK:

Yeah he's here and the brokerage firm is in operation in ah...in ah...in ah...in ah...in Luxembourg and he's in town so I'd like you to meet up with him.

b6
b7C

[REDACTED]

[REDACTED]

IK:

That's okay. (SPOKEN TO SOMEONE ASIDE: [REDACTED] when are you going back to Luxembourg?) Oh he's here til the end of the month.

[REDACTED]

[REDACTED]

IK:

Right.

[REDACTED]

[REDACTED]

IK:

Okay. Alright but this...this one here you got to...you remember I said I don't care if you take twenty...(UI)...fifty...whatever you want. I don't give a shit. But I want you to get a taste with us.

PH 196A-2296

4

[REDACTED]
IK:

[REDACTED]
I will send you but you got to tell me what you want.

[REDACTED] you don't have to take a lot of stuff.

[REDACTED]
IK:

[REDACTED]
A small little piece. Take a small piece to try.

[REDACTED]
IK:

[REDACTED]
Okay. What I'm gonna do...call [REDACTED] in five minutes
I'm going to tell him you're calling him.

[REDACTED]
IK:

[REDACTED]
Fan...everything's going. I got everything rolling here.

[REDACTED]
IK:

[REDACTED]
Yeah.

[REDACTED]
IK:

[REDACTED]
Okay.

[REDACTED]
IK:

[REDACTED]
Yeah. Sure. He'll send you down a bunch of them.

[REDACTED]
IK:

[REDACTED]
Okay?

[REDACTED]
IK:

[REDACTED]
Bye.

[REDACTED]
(END OF CONVERSATION)

[REDACTED]
Previous call was made by [REDACTED] to Irving

PH 196A-2296
5

Kott at telephone number on April 8, 1988
at approximately 10:15 A.M.

b6
b7C

PH 196A-2296 SUB G

1

DATE: 3/25/88

TIME: 2:45 PM

TELEPHONE: [REDACTED]

UF - UNKNOWN FEMALE

IK - IRVING KOTT

UI - UNINTELLIGIBLE

UF: 1013.

[REDACTED]

Yes, eh. . .Irving

UF:

[REDACTED]

[REDACTED]

(Coughs) Pardon me Irving Kott please.

UF:

Whose calling?

[REDACTED]

[REDACTED]

UF:

Hold, hold on a second.

IK:

Hello.

[REDACTED]:

[REDACTED]

IK:

Hi

[REDACTED]

[REDACTED]

Hello Irving, how are you?

IK:

Very good, excellent.

[REDACTED]

[REDACTED]

IK:

Yup.

[REDACTED]

[REDACTED]

IK:

I got these things through the brokerage office in Hong

b6
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PH 196A-2296

2

Kong in that, that stuff you sent me.

[REDACTED]

[REDACTED]

IK:

I did not get them.

[REDACTED]

[REDACTED]

IK:

Well I haven't got. . .

[REDACTED]

[REDACTED]

IK:

Right.

[REDACTED]

[REDACTED]

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b7C

IK:

Okay. Well [REDACTED] listen, you know, we're. . .hello.

[REDACTED]

[REDACTED]

IK:

Okay. We're also, you know, in Luxemburg ehh, and uhh,
uhhh, ya know, business and we're opening up in France
in Paris with a bank over there.

[REDACTED]

[REDACTED]

IK:

Yeah, the people are Lebanese people that, that
ehh. . .they're involved with.

[REDACTED]

IK:

[REDACTED]
What's his name (UI-TURNS TO TALK TO SOMEONE IN
BACKGROUND [REDACTED] phonetic). [REDACTED]

[REDACTED]

[REDACTED]

IK:

[REDACTED]
Because [REDACTED] phonetic) who has the Lebanese
French Bank there is a good friend.

[REDACTED]

[REDACTED]

IK:

[REDACTED] I dont' know any of these names. I'm
here with somebody.

[REDACTED]

[REDACTED]

IK:

Yeah.

[REDACTED]

[REDACTED]

IK:

Well that, these are the people that ehh my friend here
whose associate with his involvement. That's who were
involved . . .

[REDACTED]

[REDACTED]

IK:

Yeah, well that's who we're involved with.

(UI - BOTH SPEAKING AT SAME TIME)

IK:

They're flying over to ehh, make an association with ehh,
Green Tree.

[REDACTED]

[REDACTED]

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b7C

IK:

Okay, so I'm just telling you. . .

[REDACTED]

[REDACTED]

IK:

Right.

[REDACTED]

[REDACTED]

IK:

Right.

[REDACTED]

[REDACTED]

IK:

Right.

[REDACTED]

[REDACTED]

IK:

We have one breaking. You should not miss this one on the tenth. I'm looking for four to five hundred percent gain on this one here.

[REDACTED]

[REDACTED]

IK:

Yeah and you shouldn't miss it.

[REDACTED]

[REDACTED]

IK:

It's a three. . .No, you can even take a hundred, take a small, just to taste it. I don't want you to take alot of stock. Take a little bit.

[REDACTED]

[REDACTED]

IK: Take fifty, a hundred. I don't care what you take. Just, just to, just to taste the, the issue.

[REDACTED]

[REDACTED]

IK: You know I, I want you to meet these people. You'll meet the ehh, ehh, ehh, ehh, my man over here is with me from Luxemburg and ehh, you can meet him, and. . .

[REDACTED]

[REDACTED]

IK: . . .you'll see them. He is the one who has the association and the friendship where they're opening up in Paris.

[REDACTED]

[REDACTED]

IK: So, so I want you to meet, I just want you to take a small piece just to feel it. I don't want nothing much.

[REDACTED]

[REDACTED]

IK: You know [REDACTED] you start slow. Don't start ehhe, don't come to me and say Irving I'll take ten thousand for the (UI), five and quarter is four shares and two warrants, an A and B warrant. So you say. . .

[REDACTED]:

[REDACTED]

IK: . . .I'll take ten thousand units and twenty thousand units is the most you should take. You shouldn't take any more. You know. . .

[REDACTED]

[REDACTED]

IK: . . .which company. . .

[redacted]

Irving which company is it?

IK:

It's a company called SIM, it's computer inter. . .it's what, it's what the United States is for manufacturing to put them into competition and it's there with the, against the Japanese. And it's [redacted] (phonetic), it's umm AT&T, Northern Telecom, these are. [redacted] is, these are the type of people. It's all over, these are the people involved. This is not garbage deals.

[redacted]

[redacted]

IK:

Well, I, I wouldn't get involved unless it's . . .

[redacted]

[redacted]

IK:

Well that's what I got. I got two like that I gotta see you. This one here, the reason I'm telling you, there, there's one that's coming that's way, way over sold. It's way, way over subscribed. I know it's going to open the premium. But I always, you know, I figured it would appear somewhere. I kept a few shares, you know, they always keep back a few shares then I have some for me so that if anybody wants them, here I got them. I'm not. . .I say here take me at the offering and underwriting price and good luck.

[redacted]

[redacted]

IK:

So. . .

[redacted]

[redacted]

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IK:

[REDACTED]
Okay my friend.

[REDACTED]

[REDACTED]

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IK:

Okay [REDACTED]

[REDACTED]

[REDACTED]

IK:

Okay, I look forward to seeing you.

[REDACTED]

[REDACTED]

IK:

Okay. Bye.

[REDACTED]

SA [REDACTED]

[REDACTED]

That was a call to telephone number [REDACTED] on
March 25, 1988 placed at approximately 2:45 PM.

(END OF CONVERSATION)

Q
FK

SEARCHED	INDEXED
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MAY 12 1988	
	ELPHIA

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196A-2296-6 (SUB G)

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2

[REDACTED]

Good. I just talked to Irving. Did he reach you?

[REDACTED]

(ON OTHER PHONE) (UNINTELLIGIBLE) .

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

196A-2296(SUB G)-8 JFR

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MAY 5 1988	
FBI - PHILADELPHIA	

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JFR

PH 196A-2296

1

#16

DATE: 4/14/88

TIME: 2:45 PM

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UF-UNIDENTIFIED FEMALE

IK-IRVING KOTT

UI-UNINTELLIGIBLE

UF:

Good afternoon 1013.

UF:

Hello?

UF:

Yes, Irving Kott please.

Who's calling please?

UF:

One moment please.

IK:

Hello.

IK:

Hi

Hi Irving, how are you?

IK:

Fine, yourself?

IK:

Good my friend.

IK:

Right.

IK:

Right.

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IK:

Right.

IK:

Right.

IK:

Okay.

IK:

Right.

IK:

Right.

IK:

I'll be here or New York, I'll be
somewhere...

IK:

...you can always reach me here.

IK:

You can always reach me here.

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[REDACTED]

IK:

[REDACTED]

IK:

[REDACTED]

IK:

[REDACTED]

IK:

[REDACTED]

IK:

[REDACTED]

IK:

[REDACTED]

IK:

[REDACTED]

IK:

[REDACTED]

[REDACTED]

Hundred percent.

[REDACTED]

Right.

[REDACTED]

We'll, we'll (UI)...

[REDACTED]

No problem.

[REDACTED]

Okay my friend.

[REDACTED]

Okay my friend.

[REDACTED]

Right.

Good Irving.

Bye.

[REDACTED]

The previous call was made by

[REDACTED] to Irving Kott at

telephone number [REDACTED] on

4/14/88, at approximately 2:45 pm.

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FEDERAL BUREAU OF INVESTIGATION
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Irving Kott
DBA JBOXFORD
Formerly known as
Reinolds
Kendrick
Stratton, etc

1966-1967

2000-2001
UP 1/12/07



(12/31/1995)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 06/13/1997

To: Los Angeles

From: Los Angeles

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Contact: SA [REDACTED]

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Approved By: [REDACTED]

Drafted By: [REDACTED] pah

Case ID #: 196C-LA-208098 (Pending)

Title: IRVING KOTT, dba J. B. Oxford;
formerly known as Reynolds Kendrick Stratton, Inc. (RKS);
MF; FBW; ML; Securities Fraud

Synopsis: Request approval for telephonic and body recordings.

Details: On June 19, 1997, [REDACTED] was interviewed at the Los Angeles United States Attorney's office. Present during the interview besides writer and Special Agent (SA) [REDACTED] of the FBI, were Assistant United States Attorney [REDACTED] and SA [REDACTED] Criminal Investigative Division, Internal Revenue Service. [REDACTED] was interviewed regarding matters relating to discrepancies [REDACTED] was also interviewed regarding [REDACTED]

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[REDACTED]

wanted to cooperate with the Government. [REDACTED] said that he could provide information on Irving Kott, who is a convicted stock swindler, operating a brokerage firm in Beverly Hills, California called J.B. Oxford, previously called Reynolds Kendrick Stratton, Inc. (RKS).

[REDACTED]

[REDACTED] Kott was barred from the securities industry and used front people to hide his interest in RKS. Kott also has been using RKS to sell stock in companies he has an interest in but are worthless. Kott is

ASSIGN TO SA [REDACTED]

OPEN/REOPEN	CLASS	196C	DATE	6/13/97
GO	EN			

196C-LA-208098

SEARCHED	SERIALIZED
SERIALIZED	FILED
JUN 13 1997	
FBI-LOS ANGELES	

O-6 A GS Sub file per 6/13/97

To: Los Angeles From: Los Angeles
Re: 196C-LA-208098, 06/13/1997

listed as a consultant to RKS, [redacted] said that he runs RKS and is funneling money out of the company through a third party.

[redacted] has identified certain individuals who were involved with Kott and know that Kott is running RKS and using it for fraudulent securities schemes. These individuals are [redacted]

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[redacted] regarding their knowledge of Kott's activities.

The case will be worked jointly with U.S. Postal Inspection Services and IRS-CID.

♦♦

196C- LA-208098-2

SEARCHED	SERIALIZED
SERIALIZED	FILED
JUN 13 1997	
FBI—LOS ANGELES	

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/13/1997

[redacted] SSAN [redacted]

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[redacted] was interviewed at his residence. After being advised of the identity of the investigating agents and the nature of the interview, [redacted] provided the following:

[redacted] agreed to assist in an investigation against Irving Kott by making consensually monitored conversations between himself and other individuals. [redacted] provided and signed a form FD-472 which showed his consent to make the recordings of the conversations. [redacted] advised by the interviewing agents that he was to record all conversations with the target individuals. He understood that each conversation should be recorded.

[redacted] was shown the recording equipment provided by the interviewing agents and was instructed on how to use it. [redacted] was given labels for the cassette tapes and was instructed to read a preamble prior to making any calls. Both the labels and the preamble should include the sequence number of the call, the target person in the conversation, the telephone number called (if applicable) and date. In the event of an incoming call, [redacted] was advised to read the preamble after the call.

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[redacted] acknowledged each of the instructions, said he would be making calls over the weekend and would phone the interviewing agents on [redacted] regarding his progress and to give them custody of any recordings.

[redacted] advised that he had already called [redacted] and cellular phone [redacted] to see what he was doing. [redacted] said he was doing this to [redacted] by asking him questions about Irving Kott.

[redacted] people who he knew had firsthand knowledge of securities fraud committed by (Irving Kott). [redacted] people are [redacted]

Investigation on 06/13/1997 at [redacted]196C-LA-208098File # 196C-LA-180617by SA [redacted]
SA [redacted]

Date dictated [redacted]

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196C-LA-209099-3

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JUN 13 1996	
FBI - LOS ANGELES	

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FD-759 (Rev. 5-25-95)
To: Director, FBI (196C-LA-180617-196C-LA- 208098)
Attn: CID, Financial Crimes Section

Date: June 13, 1997

From: SAC, Los Angeles (196C-LA-180617-196C-LA- 208098)

For FBI Field Office use only
CM#:

Title: 196C-LA-180617-196C-LA- 208098

Reynolds-Kendrick-Stratton, Inc.;
Securities-Fraud;

Irving Kott, dba J.B. Oxford,
formerly known as Reynolds Kendrick
Stratton, Inc. (RKS); MF; FBW;
Money Laundering; Securities Fraud

Notification of SAC Authority Granted for Use of
SENSUAL Monitoring Equipment
(Check only ONE)

- ☒ Routine Use
☐ Emergency Use-Sensitive Circumstances (cannot exceed
30 days & may be extended only by FBIHQ).

This form must be typewritten & submitted within 10 working days
of the date authority is granted as shown in Item 5 below.

1. Reason for Proposed Use: (Check)
☐ Corroborate ☐ Protect ☐ Protect ☒ Collect
Testimony Consenting Government Evidence
Party Property
☐ Other (Specify) _____

2. Type of Equipment: (Check)
☐ Transmitter/Receiver ☒ Concealed Recorder
☐ CCTV/Audio & Video ☐ CCTV Video only
☒ Microphone ☐ Telephone
☐ Other (Specify) _____

3. Consenting Party (Identify ONLY on Field Office Copy)
☐ Nonconfidential Party
☐ Confidential Source
☒ Cooperative Witness

4. Interceptee(s): (Include Title if Public Official)

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5. Duration of proposed use:
Authorized On: 6/13/97
☒ For the duration of investigation
☐ For 30 days (Emergency NTCM usage)
Expiring On: _____

6. Equipment Concealed:
☐ In a Motel Rm. ☐ In a Telephone
☐ In a Residence ☒ On a Person
☐ In a Vehicle
☐ Other (Specify) _____

7. City & State where Equipment will
be used: _____
Los Angeles, CA

8. The following mandatory requirements have been met:
☐ Consenting party has agreed to testify;
☒ Consenting party has executed a consent form; &
☒ Recording/transmitting device will be activated
only when consenting party is present.

9. Government Attorney in judicial district where monitoring and/or
recording will take place has been contacted; foresees no entrapment;
& concurs in the use of the technique.
☒ Yes ☐ No Date of Contact: 6/12/97

Identity of Gov't Atty: _____
Judicial District: Central District of Calif.

10. Violation(s): Title(s) _____ Sec(s) _____ USC

11. DOJ notification required ☐ Yes ☒ No. If "Yes" check reason below:

NOTE: Requests for Routine NTCM usage involving any of the 7 sensitive circumstances requires a teletype to HQ prepared in the format described in the MIOG, Part II, Section 10-10.3 (8). Request for Emergency NTCM usage involving Item 6 below requires immediate contact with the FBIHQ substantive desk for DOJ approval. The 7 sensitive circumstances do not apply to the use of CCTV video only.

1. ☐ Interception relates to an investigation of a member of Congress; a Federal Judge; a member of the Executive Branch at Executive Level IV or above; or a person who has served in such capacity within the previous 2 years.
2. ☐ Interception relates to an investigation of any public official and the offense investigated is one involving bribery; conflict of interest; or extortion relating to the performance of his/her official duties.
3. ☐ Interception relates to an investigation of a Federal law enforcement official.
4. ☐ Consenting/nonconsenting party is a member of the diplomatic corps of a foreign country.
5. ☐ Consenting/nonconsenting party is or has been a member of the Witness Security Program and that fact is known to the agency involved or its officers.
6. ☐ Consenting/nonconsenting party is in the custody of the Bureau of Prisons or the U.S. Marshals Service.
7. ☐ Attorney General; Deputy Attorney General; Associate Attorney General; Assistant Attorney General for the Criminal Division; or the U.S. Attorney in the district where an investigation is being conducted has requested the investigating agency to obtain prior written consent for making a consensual interception in a specific investigation.

12. Synopsis of Case: (Attach additional page if necessary)

See ATTACH 100

13. Justification statement necessitating emergency authorization:
☐ Emergency 30 day authorization granted due to imminent need (within 48 hours) for use of consensual monitoring device(s), which precluded the handling of this request in the usual manner.
☐ Other (Attach Additional Page to Specify)

1- (Field Office Optional Use)

Field Approval

14. CDC (If Sensitive Circumstances Exist)

Signature _____ Date: _____

15. SAC

Signature _____ Date: _____

FBIHQ Approval

16. Unit Chief (If Sensitive Circumstances Exist)

Signature _____ Date: _____

On June 19, 1997, [redacted] was interviewed at the Los Angeles United States Attorney's office. Present during the interview besides writer and Special Agent (SA) [redacted] of the FBI, were Assistant United States Attorney [redacted] and SA [redacted] Criminal Investigative Division, Internal Revenue Service. [redacted] was interviewed regarding matters relating to discrepancies on [redacted] was

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[redacted]
[redacted] was also questioned about [redacted] allegedly attempting to [redacted]

[redacted] During the course of the interview, [redacted]

[redacted] said that he wanted to cooperate with the Government. [redacted] said that he could provide information on Irving Kott, who is a convicted stock swindler, operating a brokerage firm in Beverly Hills, California called J.B. Oxford, previously called Reynolds Kendrick Stratton, Inc. (RKS).

[redacted]
[redacted] Kott was barred from the securities industry and used front people to hide his interest in RKS. Kott also has been using RKS to sell stock in companies he has an interest in but are worthless. Kott is listed as a consultant to RKS. [redacted] said that he runs RKS and is funneling money out of the company through a third party. [redacted] has identified certain individuals who were involved with Kott and know that Kott is running RKS and using it for fraudulent securities schemes. These individuals are [redacted]

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[redacted]
[redacted] has volunteered to make recorded conversations with these individuals regarding their knowledge of Kott's activities.

196C-LA-208098-4

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10/15

196C-LA-208098-5

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FBI - LOS ANGELES	

MDI

Automated Serial Permanent Charge-Out
FD-5a (1-5-94)

Date: 07/07/97 Time: 17:50

Case ID: 196C-LA-208098 Serial: 6

Description of Document:

Type : FD302
Date : 06/26/97
To : LOS ANGELES
From :
Topic:

b6
b7C

Reason for Permanent Charge-Out:

FD-302 WITH ADDITIONAL INFORMATION TO REPLACE. SEE SERIAL 11.

Employee:

196C-LA-208098-6

U7MJS

196C-LA-208098 A 7

SEARCHED	INDEXED
SERIALIZED	FILED
JUL 7 1961	
FBI - LOS	

MJS

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 7/2/97

On June 16, 1997, [REDACTED]

[REDACTED] furnished to investigating agents a
tape of a consensually telephonic call [REDACTED]

[REDACTED] The call was made [REDACTED]

b6
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b7D

Investigation on 6/16/97 at [REDACTED]
File # 196C-LA-208098; 196C-LA-180617
by SA [REDACTED] /pah
SA [REDACTED] pah

Date dictated 6/17/97b6
b7C

196C-LA-208098-8

SEARCHED	INDEXED
SERIALIZED	FILED
JUL 7 1997	
FBI - LOS ANGELES	

ms

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 7/2/97

On June 17, 1997, [REDACTED]

[REDACTED] furnished to investigating agents a
tape of a consensual telephonic call [REDACTED]

[REDACTED] The call was made on [REDACTED]

b6
b7C
b7DInvestigation on 6/17/97 at [REDACTED]b6
b7CFile # 196C-LA-208098; 196C-LA-180617by SA [REDACTED] /pah
SA [REDACTED] pahDate dictated 6/18/97

196C-LA-208078-9

SEARCHED	INDEXED
SERIALIZED	FILED
JUL 7 1997	
FBI - LOS ANGELES	

MJS

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 7/2/97

On June 27, 1997, at about 10:00 p.m., [redacted]
[redacted] furnished to
investigating agents a tape of a consensually non-telephonic
recording [redacted] The meeting
occurred [redacted]
[redacted]

b6
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b7D

[redacted] said that he arrived at [redacted]
about [redacted] After walking into [redacted] saw [redacted]
[redacted] introduced [redacted] and then suggested
that he and [redacted] start their meeting. Prior to the start of the
meeting, [redacted]
[redacted]

[redacted] proceeded to talk to [redacted] for about 45
minutes. [redacted] conversation with [redacted] centered around
IRVING KOTT and KOTT's control of J.B. OXFORD. [redacted] said that he
[redacted]

b6
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b7D

Shortly thereafter, [redacted] and an unidentified male
joined them. While [redacted] was present, the subject of IRVING
KOTT and J.B. OXFORD was never discussed. The conversation
lasted past 5:00 p.m. [redacted]

[redacted] returned to investigating agents [redacted] with
the recording device. [redacted] furnished to the FBI, [redacted]
[redacted] also furnished to the
investigating agents a tape of consensually telephonic calls
[redacted] The
calls were made [redacted]

Investigation on 6/27/97 at [redacted]
File # 196C-LA-208098; 196C-LA-180617
by SA [redacted] pah *MTS*
SA [redacted] pah

Date dictated 6/30/97b6
b7C

196C-LA-20809P-10

SEARCHED	INDEXED
SERIALIZED	FILED
JUL 7 1997	
FBI - LOS ANGELES	

ms

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 7/2/97

On June 18, 1997, [redacted]
[redacted] furnished to investigating agents two
tapes of consensually telephonic calls [redacted]
[redacted] The consensually
recorded calls with [redacted]
The call with [redacted]

b6
b7C
b7D

Investigation on 6/18/97 at [redacted]
File # 196C-LA-208098; 196C-LA-180617
by SA [redacted] /pah
SA [redacted] pah

Date dictated 6/19/97b6
b7C

196C-LA-208098 - 11

SEARCHED	<i>AK</i>	INDEXED	<i>AK</i>
SERIALIZED		FILED	
JUL 7 1997			
FBI - LOS ANGELES			

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- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 7/2/97

On June 26, 1997, [redacted]
[redacted] furnished to investigating agents a
tape of consensually telephonic calls [redacted]
[redacted] The consensually recorded call with [redacted]
was on [redacted] was on
[redacted] unexpectedly called [redacted]
1997. [redacted] told [redacted] he would call him back. [redacted] called
[redacted] back and recorded the conversation.

b6
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[redacted] with a NAGRA recording
device, for the purpose of consensually recording a meeting with
[redacted] was instructed on
how to operate the device and that he was only to record
conversations which he was present.

Investigation on 6/26/97

a [redacted]

b6
b7CFile # 196C-LA-208098; 196C-LA-180617by SA [redacted] pah
SA [redacted] pahDate dictated 6/27/97

196C-LA-208098-12

SEARCHED	INDEXED
SERIALIZED	FILED
JUL 7 1997	
FBI - LOS ANGELES	

mrs

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 7/2/97

On June 30, 1997, [redacted]
[redacted] furnished to investigating agents a
tape of consensually telephonic calls [redacted]
[redacted] Investigating agents monitored these
calls. The calls were made [redacted] returned the
recording device to investigating agents.

b6
b7C
b7DInvestigation on 6/30/97 at [redacted]b6
b7CFile # 196C-LA-208098; 196C-LA180617by SA [redacted] pah
SA [redacted] pahDate dictated 7/1/97

196C-LA-208098-13

SEARCHED	INDEXED
SERIALIZED	FILED
JUL 7 1997	
FBI - LOS ANGELES	

MTJ

(12/31/1995)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 07/30/1997

To: Los Angeles

From: Los Angeles

b7E

Contact: SA [REDACTED]

b6
b7C

Approved By: [REDACTED]

Drafted By: [REDACTED] pah

Case ID #: 196C-LA-208098 (Pending)

Title: IRVING KOTT, dba
J.B. OXFORD;

Synopsis: Request for additional help in writing a search warrant affidavit.

Details: Request SA [REDACTED] be assigned a lead to assist in preparation of affidavit of search warrant in captioned matter.

LEAD (s):

Set Lead 1:

LOS ANGELES

AT LOS ANGELES

Will assist in preparation of affidavit.

♦♦

196C-LA-208098-14

SEARCHED	INDEXED
SERIALIZED	FILED
JUL 30 1997	
FBI-LOS ANGELES	

FBI

TRANSMIT VIA:

☒ Teletype
☐ Facsimile
☐ AIRTEL

PRECEDENCE:

☒ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☒ UNCLAS

PAGE 1 OF 3

Date 8/14/97

FM FBI LOS ANGELES (196C-LA-208098)

TO DIRECTOR FBI/IMMEDIATE/

FBI LAS VEGAS/IMMEDIATE/

FBI SAN FRANCISCO/IMMEDIATE/

FBI SEATTLE/IMMEDIATE/

BT

UNCLAS

b7E

CITE: //3410 //PASS: FBIHQ: UNIT CHIEF

CART; CID, FCS, ECU, SSA

b6
b7C

SUBJECT: IRVING KOTT; DBA J.B. OXFORD; ET AL; MF; MONEY

LAUNDERING; SECURITIES FRAUD.

OTHER Sealed Court Order

 THIS CASE INVOLVES THE INVESTIGATION OF A SECURITIES
15
196C-LA-208098-13
SEARCHED

INDEXED

SERIALIZED

FILED

mgs/PAH
Approved: *TPM*Original filename: PAH001W.226Time Received: Telprep filename: PAH001SO.226MRI/JULIAN DATE: ISN: 226 PAH01-TelFOX DATE & TIME OF ACCEPTANCE:

^PAGE 2 FBILA (196C-LA-208098) UNCLAS

EXCHANGE COMMISSION REGISTERED BROKER-DEALER OPERATING IN BEVERLY HILLS AND AN ONGOING SCHEME TO MANIPULATE THE PRICE OF CERTAIN SECURITIES LISTED ON NASDAQ. THE BROKER-DEALER, J.B. OXFORD, APPEARS TO OPERATE UNDER THE DIRECTION OF AN UNDISCLOSED PRINCIPAL, IRVING KOTT. KOTT USES J.B. OXFORD TO MANIPULATE THE PRICES OF STOCK WHICH HE HAS A HIDDEN OWNERSHIP INTEREST. HE THEN PROFITS BY SELLING HIS INTEREST AT THE INFLATED PRICE.

THE FOCUS OF THE INVESTIGATION, THEREFORE, FALLS INTO TWO DISTINCT AREAS. FIRST, IS THE INVESTIGATION OF KOTT'S SECRET CONTROL OF J.B. OXFORD AS THE UNDISCLOSED PRINCIPAL OF THE COMPANY. KOTT WAS CONVICTED OF STOCK FRAUD IN CANADA IN 1996 AND HAS SINCE HAD RUN-INS WITH SECURITIES REGULATORS IN EUROPE. IN KOTT'S BIGGEST CAPER, KOTT'S BROKERAGE CUSTOMERS LOST AS MUCH AS \$400 MILLION. SECOND, IS THE INVESTIGATION OF THE STOCK MANIPULATION OF VARIOUS SECURITIES.

OTHER Sealed Court Order

FM FBI LOS ANGELES (196C-LA-208098)

TO DIRECTOR FBI/IMMEDIATE/

FBI LAS VEGAS/IMMEDIATE/

FBI SAN FRANCISCO/IMMEDIATE/

FBI SEATTLE/IMMEDIATE/

BT

UNCLAS

b7E

CITE: //8410 [REDACTED]

PASS: FBIHQ: UNIT CHIEF [REDACTED] CART; CID, FCS, ECU, SSA

b6
b7C

SUBJECT: IRVING KOTT; DBA J.B. OXFORD; ET AL; MF; MONEY

LAUNDERING; SECURITIES FRAUD.

OTHER Sealed Court Order

[REDACTED]
[REDACTED] THIS CASE INVOLVES THE INVESTIGATION OF A SECURITIES

EXCHANGE COMMISSION REGISTERED BROKER-DEALER OPERATING IN BEVERLY HILLS AND AN ONGOING SCHEME TO MANIPULATE THE PRICE OF CERTAIN SECURITIES LISTED ON NASDAQ. THE BROKER-DEALER, J.B. OXFORD, APPEARS TO OPERATE UNDER THE DIRECTION OF AN UNDISCLOSED PRINCIPAL, IRVING KOTT. KOTT USES J.B. OXFORD TO MANIPULATE THE PRICES OF STOCK WHICH HE HAS A HIDDEN OWNERSHIP INTEREST. HE THEN PROFITS BY SELLING HIS INTEREST AT THE INFLATED PRICE.

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127/227 #1 @ 0340

196C-17-208098-15
SEARCHED

INDEXED

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\$400 MILLION. SECOND, IS THE INVESTIGATION OF THE STOCK
MANIPULATION OF VARIOUS SECURITIES.

OTHER Sealed Court Order



REQUEST ASSISTANCE OF THE FOLLOWING CART TEAM MEMBERS:

SA [REDACTED] LAS VEGAS

b6

SA [REDACTED] LAS VEGAS

b7C

SA [REDACTED] SAN FRANCISCO

S [REDACTED] SEATTLE

[REDACTED] OTHER Sealed Court Order

[REDACTED] CONTACT SA [REDACTED] FOR LODGING AND

ADDITIONAL INFORMATION [REDACTED]

b6
b7C

BT

FBI

TRANSMIT VIA:

☒ Teletype
☐ Facsimile
☐ AIRTEL

PRECEDENCE:

☒ Immediate
☐ Priority
☐ Routine

CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☒ UNCLAS

PAGE 1 OF 3

Date 8/14/97

FM FBI LOS ANGELES (196C-LA-208098)

TO DIRECTOR FBI/IMMEDIATE/

FBI LAS VEGAS/IMMEDIATE/

FBI SAN FRANCISCO/IMMEDIATE/

FBI SEATTLE/IMMEDIATE/

BT

UNCLAS

b7E

CITE: //3410 [REDACTED] //

b6
b7C

PASS: FBIHQ: UNIT CHIEF [REDACTED] CART; CID, FCS, ECU, SSA

SUBJECT: IRVING KOTT; DBA J.B. OXFORD; ET AL; MF; MONEY

LAUNDERING; SECURITIES FRAUD.

OTHER Sealed Court Order

[REDACTED]

[REDACTED] THIS CASE INVOLVES THE INVESTIGATION OF A SECURITIES

1 - ADIC TIMOTHY P. McNALLY
 1 - SAC GUADALUPE GONZALEZ
 1 - ASAC [REDACTED]
 1 - ASAC [REDACTED]
 1 - ASAC [REDACTED]
 1 - ASAC [REDACTED]
 1 - ASAC [REDACTED]
 1 - ASAC [REDACTED]
 1 - SSA [REDACTED]
 1 - Media Coordinator
 1 - Night Supervisor

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b7C

① File # 196C-LA-208098

196C-LA-208098-15

SEARCHED	INDEXED
SERIALIZED	FILED
SEARCHED AUG 18 1997 INDEXED SERIALIZED FBI-LOS ANGELES FILED	

^PAGE 2 FBILA (196C-LA-208098) UNCLAS

EXCHANGE COMMISSION REGISTERED BROKER-DEALER OPERATING IN BEVERLY HILLS AND AN ONGOING SCHEME TO MANIPULATE THE PRICE OF CERTAIN SECURITIES LISTED ON NASDAQ. THE BROKER-DEALER, J.B. OXFORD, APPEARS TO OPERATE UNDER THE DIRECTION OF AN UNDISCLOSED PRINCIPAL, IRVING KOTT. KOTT USES J.B. OXFORD TO MANIPULATE THE PRICES OF STOCK WHICH HE HAS A HIDDEN OWNERSHIP INTEREST. HE THEN PROFITS BY SELLING HIS INTEREST AT THE INFLATED PRICE.

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OTHER Sealed Court Order

OTHER Sealed Court Order

^PAGE 3 FBILA (196C-LA-208098) UNCLAS

[REDACTED]

REQUEST ASSISTANCE OF THE FOLLOWING CART TEAM MEMBERS:

SA [REDACTED] LAS VEGAS

SA [REDACTED] LAS VEGAS b6
b7C

SA [REDACTED] SAN FRANCISCO

SA [REDACTED] SEATTLE

OTHER Sealed Court Order

[REDACTED]

[REDACTED] CONTACT SA [REDACTED] FOR LODGING AND

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ADDITIONAL INFORMATION [REDACTED]

BT

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FM FBI LOS ANGELES (196C-LA-208098)

TO DIRECTOR FBI/IMMEDIATE/

FBI LAS VEGAS/IMMEDIATE/

FBI SAN FRANCISCO/IMMEDIATE/

FBI SEATTLE/IMMEDIATE/

BT

UNCLAS

b7E

CITE: //3410 [REDACTED] /

PASS: FBIHQ: UNIT CHIEF [REDACTED] CART; CID, FCS, ECU, SSA

b6
b7C

[REDACTED]

SUBJECT: IRVING KOTT; DBA J.B. OXFORD; ET AL; MF; MONEY
LAUNDERING; SECURITIES FRAUD.

[REDACTED]

[REDACTED] THIS CASE INVOLVES THE INVESTIGATION OF A SECURITIES
EXCHANGE COMMISSION REGISTERED BROKER-DEALER OPERATING IN BEVERLY

OTHER Sealed Court Order

TELETYPE COPY

196C-LA-208098-15

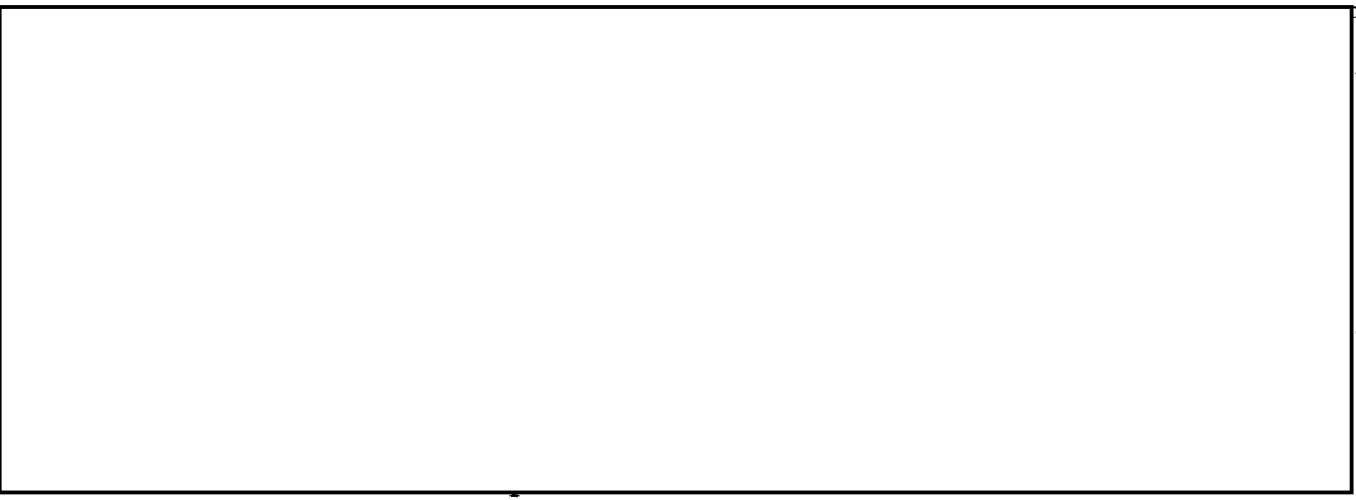
SEARCHED	INDEXED
SERIALIZED	SEARCHED
INDEXED	
AUG 14 1997	
SERIALIZED	
FILED	
FBI - LOS ANGELES	

PAGE TWO DE FBILA 0001 UNCLAS

HILLS AND AN ONGOING SCHEME TO MANIPULATE THE PRICE OF CERTAIN SECURITIES LISTED ON NASDAQ. THE BROKER-DEALER, J.B. OXFORD, APPEARS TO OPERATE UNDER THE DIRECTION OF AN UNDISCLOSED PRINCIPAL, IRVING KOTT. KOTT USES J.B. OXFORD TO MANIPULATE THE PRICES OF STOCK WHICH HE HAS A HIDDEN OWNERSHIP INTEREST. HE THEN PROFITS BY SELLING HIS INTEREST AT THE INFLATED PRICE.

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OTHER Sealed Court Order



OTHER Sealed Court Order

[REDACTED]

REQUEST ASSISTANCE OF THE FOLLOWING CART TEAM MEMBERS:

SA [REDACTED] LAS VEGAS

SA [REDACTED] LAS VEGAS

b6
b7C

SA [REDACTED] SAN FRANCISCO

SA [REDACTED] SEATTLE

OTHER Sealed Court Order

[REDACTED]

[REDACTED] CONTACT SA [REDACTED] FOR LODGING AND

b6
b7C

ADDITIONAL INFORMATION [REDACTED]

BT

#0001

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- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/07/1997

The trash was recovered from the trash can on the curbside driveway of 9966 Beverly Grove Drive, Beverly Hills, California at approximately 04:30 a.m., on 08/07/1997. The trash was removed from the trash can and placed in an empty plastic container and transported back to the FBI garage in Los Angeles, where the bags were examined by the investigating agents. The following items were retained:

1. A Bergdorf Goodman catalog addressed to [redacted]
[redacted], Beverly Hills, California.
2. A Trifles Spaces catalog addressed to [redacted] or
Current Resident, [redacted] Beverly Hills,
California.
3. A Thrifty Payless purchase receipt.
4. An Enterprise car rental agreement torn in several
pieces.
5. Two pink post-it notes with names and telephone
numbers.
6. A business card for Baroncelli Linens and
Accessories.
7. A U.S. Department of Justice Immigration and
Naturalization Service document for [redacted] torn in
several pieces.
8. Two white pieces of paper with a stamped address
for [redacted]
California, 90067.

b6
b7cInvestigation on 08/07/1997 at Los Angeles, CaliforniaFile # 196C-LA-208098 - 110by SA [redacted]
SA [redacted]SA [redacted]
SA [redacted][redacted] MTS.
[redacted] 08/07/1997b6
b7c

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 08/14/1997

To: Los Angeles

Attn: ASAC Division #2

From: Los Angeles

b7E

b6
b7C

Contact: SA

Approved By:

Drafted By:

pah

Case ID #: 196C-LA-208098 (Pending)

Title: IRVING KOTT;
dba J.B. OXFORD;
et al;
MF; MONEY LAUNDERING;
SECURITIES FRAUD;

OTHER Sealed Court Order

Synopsis: Planned execution of SEALED SEARCH WARRANTS on
for above captioned case.

Details: This case involves the investigation of an alleged ongoing scheme to manipulate the prices of certain securities listed on the NASDAQ securities exchange by a Securities Exchange Commission (SEC) registered securities broker-dealer operating in Beverly Hills. The broker-dealer, J.B. Oxford, appears to operate under the direction of an undisclosed principal, Irving Kott. Kott allegedly uses J.B. Oxford to manipulate the prices of stock, in which Kott has a hidden ownership interest. He then profits by selling his interest at the inflated price.

The focus of the investigation falls into two distinct areas. First, the investigation of Kott's alleged secret control of J.B. Oxford, as its undisclosed principal of the company. Second, the investigation of the alleged stock manipulation of various securities.

Kott was convicted of stock fraud in Canada in 1976 and has since had problems with securities regulators in Europe. In Kott's largest fraud, Kott's brokerage customers lost as much as \$400 million

OTHER Sealed Court Order

1 - ADIC TIMOTHY P. McNALLY
1 - SAC GUADALUPE GONZALEZ
1 - ASAC
1 - ASAC
1 - ASAC
1 - ASAC
1 - ASAC
1 - ASAC
1 - SSA
1 - Media Coordinator
1 - Night Supervisor

b6
b7C

196C-LA-208098

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 18 1997	
FBI-LOS ANGELES	

File # 19C-LA-208098

FBI Agents Raid Beverly Hills Brokerage Firm

■ **Securities:** Sources call action the beginning of a wide-ranging probe by federal agents into Oxford and consultant Irving Kott.

By DEBORA VRANA
TIMES STAFF WRITER

Dozens of FBI agents Tuesday raided JB Oxford & Co., the Beverly Hills discount brokerage firm associated with convicted stock swindler Irving Kott.

The raid signals a wide-ranging probe by federal agents into the operations of the brokerage and Kott, a consultant to Oxford who has had run-ins with securities regulators in the past, sources said. The Securities and Exchange Commission is working with the FBI in the investigation, which includes some ventures related to Kott, sources said.

The FBI served search warrants on the brokerage and seized documents, but no arrests were made, FBI spokesman John Hoos said. Employees were allowed to continue working in the Wilshire Boulevard office, he said. Authorities also raided

Please see OXFORD, D11

Continued from D1
an Oxford office in Basel, Switzerland.

The brokerage released a statement saying it is "cooperating fully with federal authorities" and that it "continues to conduct its normal business activities." Oxford Chief Executive Stephen Rubenstein was not available for comment.

"It's kind of a bad day here—I can't talk," said Michael J. Villanueva, a branch manager with Oxford in Beverly Hills.

Documents in the case have been sealed and authorities aren't talking, but the investigation is said to center on Kott. Once a big-time stock promoter in Montreal, Kott was convicted of stock fraud in Ontario in 1976 and fined \$500,000 in Canadian dollars.

Oxford touts itself as a kind of mini-Charles Schwab & Co., a passive order-taker for customers. But the firm's brokers can steer clients to specific stocks, especially those in which the firm is a market-maker. (Market-makers stand by, willing to buy and sell shares to the public.)

The stock prices of some of those companies dropped Tuesday, as did shares of **JB Oxford Holdings Inc.**, parent firm of the brokerage. **Legacy Software Inc.**, a Los Angeles maker of education software whose initial public offering was arranged by Oxford, saw its shares drop 75 cents in Nasdaq trading to \$2 a share. It traded at a new low of \$1 a share earlier in the day. The company went public in May 1996 at \$6 a share. Shares of JB Oxford Holdings fell 22 cents a share in Nasdaq trading to \$1.34 a share.

Oxford has raised eyebrows in other areas. Its clearing unit at one time processed trades for **Stratton Oakmont Inc.**, a Lake Success, N.Y., firm ousted from the securities industry by the National Assn. of Securities Dealers last year for alleged regulatory abuses. Oxford also recently agreed to take on the bulk of the 15,000 accounts held by Glendale brokerage **W.S. Clearing Inc.**, which failed in March. The move caused some concern among clients of W.S. Clearing.

Indicate page, name of
newspaper, city and state.

LOS ANGELES TIMES, pg. D1

Date *Wednesday*
Edition *3-20-97*

Title

Character
or
Classification
Submitting Office **Los Angeles**

(X)
See

b7E

Oxford, formerly called RKS Financial Group, was the parent company of Reynolds Kendrick Stratton, a firm subject to several lawsuits from investors and an NASD probe that resulted in fines and settlements.

In early 1993, Kott helped arrange for a group of investors to acquire a controlling interest in the firm and Kott was hired on as a consultant. RKS eventually closed Reynolds and in 1994 created JB Oxford, which advertised aggressively and opened offices in New York, Boston, Dallas and Miami.

Authorities were characteristically tight-lipped about the Oxford investigation Tuesday.

Assistant U.S. Atty. David Z. Seide, who is overseeing the case, would not comment, nor would Elaine Cacheris, regional director of the SEC in Los Angeles.

196C-LA-203098-18

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 20 1991	
FBI-LOS ANGELES	

1967

Beverly Hills Brokerage Tied to Swindler Is Raided

Dozens of FBI agents raided the office of JB Oxford & Co., the Beverly Hills discount brokerage firm associated with convicted stock swindler Irving Kott. D1

Automated Serial Permanent Charge-Out
FD-5a (1-5-94)

Date: 08/21/97 Time: 18:32

Case ID: 196C-LA-208098 Serial: 19

Description of Document:

Type : FD302

Date : 08/19/97

To : LOS ANGELES

From :

Topic:

b6

b7C

Reason for Permanent Charge-Out:

TRANSFERRED TO ESTABLISHED SUBFILE

Transferred to:

Case ID: 196C-LA-208098-302 Serial: 1

Employee:

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

WALL STREET JOURNAL

Date: 8/20/97

Edition:

Title:

b7E

Character:

or

Classification:

Submitting Office:

Indexing:

FBI Raids JB Oxford in California, Carting Away Brokerage Documents

By ANDY PASZTOR

Staff Reporter of THE WALL STREET JOURNAL

BEVERLY HILLS, Calif. -- Federal agents raided the offices of JB Oxford Holdings Inc., whose fast-growing brokerage unit has been the focus of controversy for at least two years and already is under investigation by the Securities and Exchange Commission, according to law enforcement officials.

Agents of the Federal Bureau of Investigation arrived with search warrants yesterday morning and carted away various documents pertaining to, among other things, operations of Oxford's former brokerage unit during the early 1990s, according to one person familiar with the matter. This person also said some of the material sought pertained to the SEC's continuing enforcement inquiry.

Spokesmen for both the FBI and the U.S. Attorney's office in Los Angeles declined to comment on the focus of the investigation or the material that was taken. The warrants and the affidavits filed by the government to support the search remained under seal. A lawyer for the company also declined to comment.

Oxford's outside public-relations firm

said the company's offices in Basel, Switzerland, also were searched. While Oxford isn't "in a position to comment on the status or scope" of the investigation, according to the brief statement, it is "cooperating fully with federal authorities," which conducted the searches and the brokerage unit "continues to conduct its normal business activities." JB Oxford & Co., the current discount brokerage and clearing unit, is based in Beverly Hills.

Oxford Holdings began attracting controversy in 1994, when it took on a new name and new top management, but retained ties to Irving Kott, a convicted Canadian securities swindler, working for it as a consultant. A spokesman for Oxford said Mr. Kott didn't have any comment on the raid.

Last year, the National Association of Securities Dealers fined the firm's former broker-dealer, Reynolds Kendrick & Stratton Inc., \$50,000 for failing to disclose to investors negative information about a stock the firm sold to customers in 1992. One person familiar with the matter said portions of the search warrants sought documents related to Mr. Kott and Reynolds Kendrick & Stratton.

Oxford's activities as a clearing broker have grown as a result of its ties to two now-defunct brokerage firms. Earlier this year, Oxford agreed to take over some accounts that were previously handled by W.S. Clearing Inc. of Glendale, Calif., which failed after its capital evaporated because of losses incurred in securities dealings with a client brokerage. Oxford at one point also processed trades for Stratton Oakmont Inc., a Lake Success, N.Y., brokerage house that was kicked out of the securities industry by the NASD in late 1996.

the McDonnell Douglas DC-9 aircraft was caused by a fire in a forward cargo bay—which wasn't protected by fire-detection and suppression equipment—when aircraft oxygen generators ignited in a blaze that quickly disabled the plane.

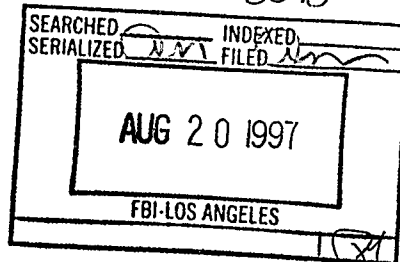
Atlanta-based ValuJet was blamed for improper oversight of SabreTech, which in turn was blamed for failing to properly "prepare, package, identify and track" the unexpended chemical oxygen generators. The generators are used to deliver emergency oxygen to passengers; they generate tremendous heat when activated.

The FAA—which has notified the industry it intends to require expanded cargo-bay fire-suppression systems—was repeatedly chastised for failing to require the systems, and for failing to monitor the two companies' compliance with aviation rules.

The safety board also called for re-vamping rules to require that pilots don oxygen masks and smoke goggles "at the first indication" of smoke or fire. It also recommended improved goggles and training and expanded evaluation of cockpit-vision technology.

Loss of control of the plane "most likely" resulted from damage to flight controls caused by the intense fire, the NTSB concluded, although it couldn't rule out that smoke and heat incapacitated the crew in the flight's last seven seconds. A cabin telephone that flight attendants use to call the cockpit was broken on the plane. A DC-9 currently is allowed to take off without a functioning cabin telephone, something the board wants changed.

In separate statements, ValuJet and SabreTech stressed the other's role in the crash. SabreTech, a unit of closely held Sabreliner Corp. of St. Louis, charged that ValuJet has been in "a permanent state of denial" over its role, while ValuJet claimed that the accident "happened because SabreTech failed to fulfill its legal and moral obligation."



(12/31/1995)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 08/21/1997

To: Los Angeles

From: Los Angeles
b7E [redacted]

Contact: SA [redacted]

b6
b7C

Approved By: [redacted]

Drafted By: [redacted]:pah

Case ID #: 196C-LA-208098 (Pending)

Title: IRVING KOTT;
dba J.B. OXFORD;
et al;
MF; MONEY LAUNDERING;
SECURITIES FRAUD;

Synopsis: Opening of a Sub File.

Details: To request opening of a Sub 302 File for above captioned case.

♦♦

106C-LA-208098-01

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 21 1997	
FBI-LOS ANGELES	

Automated Serial Permanent Charge-Out
FD-5a (1-5-94)

Date: 08/25/97 Time: 11:16

Case ID: 196C-LA-208098 Serial: 22

Description of Document:

Type : FD302

Date : 08/19/97

To : LOS ANGELES

From :

Topic:

b6

b7C

Reason for Permanent Charge-Out:

ACCIDENTALLY SERIALIZED TO THE MAIN FILE AS WELL

Employee:

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

L.A. DAILY NEWS

Date: WED.

Edition: 8-20-97

Title:

Character:

or

Classification:

Submitting Office: LOS ANGELES

b7E

Indexing:

Discount broker raided by FBI

Agents seize files in Beverly Hills

Associated Press

BEVERLY HILLS — FBI agents raided the J.B. Oxford & Co. discount brokerage Tuesday and hauled away documents as part of a white-collar crime probe, authorities said.

The FBI served search warrants on the Wilshire Boulevard brokerage at 7 a.m. and combed files for documents, which were taken away as evidence, said FBI spokesman John Hoos.

There were no arrests.

"We're executing federal search warrants in conjunction with a white-collar crime investigation," Hoos said, adding that J.B. Oxford employees were allowed to continue working.

All information and documents in the case were sealed by a court and details about the warrants weren't being released, Hoos said.

Assistant U.S. Attorney David Seide, who is heading the case, didn't return phone calls.

"I can't make a comment on the investigation. The case is sealed," said Thom Mrozek, spokesman for the U.S. Attorney's Office.

A woman who answered the telephone at the Beverly Hills office said no one was speaking about the raid. J.B. Oxford President Stephen Rubenstein and executive office manager Tina Lucas didn't return telephone messages.

A statement released later through a public relations firm said the company "is cooperating fully with federal authorities in a search of records that was conducted at its offices in Basel, Switzerland, and today at its Beverly Hills headquarters."

The National Association of Securities Dealers in Washington, D.C., which polices the stock market and brokers, didn't know any details about the raid, said NASD spokesman Michael Robinson.

196C-1A-203095-23

SEARCHED <i>h</i>	INDEXED <i>h</i>
SERIALIZED <i>h</i>	FILED <i>h</i>
AUG 26 1997	
FBI-LOS ANGELES	

MEMO

b6
b7C

To: SUPERVISOR (IS-2)
From: SUPERVISOR [REDACTED] SQUAD [REDACTED]
Subject: LOS ANGELES SPECIAL OPERATIONS GROUP (SOG)
AIRCRAFT OPERATIONS (AIROPS)
REQUEST FOR SOG/AIROPS ASSISTANCE

b7E

Date: 8/21/97

INVESTIGATIVE PROGRAM REQUEST

WCC ☒
OC ☐
IT ☐

DRUGS ☐
DT ☐

VCMO ☐
FCI ☐

ANTICIPATED DATES OF ASSISTANCE: 8/21 - 8/28/97

ANTICIPATED DURATION OF ASSISTANCE: 2-5 DAYS

CASE TITLE

IRVING KOTT, dba
JB OXFORD HOLDINGS, INC
JB OXFORD COMPANY

OO: LA FILE: 196C-LA-208098

CASE AGENT:

SIGNAL#: [REDACTED] EXT: [REDACTED]
BEEPER#: [REDACTED]
HOME PHONE: [REDACTED]
CAR PHONE: N/A
ALTERNATE C/A: [REDACTED]
SIGNAL#: [REDACTED] EXT: [REDACTED]
BEEPER#: [REDACTED]
HOME PHONE: [REDACTED]
CAR PHONE: N/A

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b7C

TYPE OF REQUEST:

☒ SOG PHYSICAL SURVEILLANCE (# OF SUBJECTS 1)
☐ AIROPS ASSISTANCE
☐ TITLE III SURVEY
☐ OTHER -
(PHOTOS, VIDEO, AERIAL PHOTOS, ETC.)

5 - Los Angeles

- ① - LA Case File 196C-LA-208098
- 1 - 66I-LA-179165 SUB A
- 2 - Surveillance Coordinator
- 1 - Aviation Coordinator

MSL/lca
(5)

(Rev. 1/96)

196C-LA-208098-24

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 25 1997	
FBI-LOS ANGELES	

SPECIAL REQUESTS:

OTHER Sealed Court Order

ARREST OF SUBJECT(S)
ASSET FORFEITURE ASSIS.
SURVEILLANCE PHOTOS

SURVEILLANCE VIDEO
AERIAL PHOTOS
OTHER - _____

BRIEF SUMMARY OF CASE:

WOULD DETECTION OF FISUR IMPACT ADVERSELY ON CASE? YES/NO

IS SUBJECT SURVEILLANCE CONSCIOUS? YES/NO

SUBJECT DESCRIPTION:

NAME: _____
RACE: W SEX: F HEIGHT: _____ WEIGHT: _____ BUILD: _____
HAIR: _____ EYES: _____ DOB: _____ GLASSES: _____
FACIAL HAIR: _____ COMPLEXION: _____
SCARS, MARKS, TATTOOS: _____
PECULIARITIES: _____ NARCOTICS USER: _____
ARMED AND DANGEROUS? _____ WEAPON TYPE: _____
RESIDENCE: 9966 BEVERLY GROVE DR. DEERLY HILLS CA PHONE: _____
PHOTO ATTACHED: _____ DATE: _____ (INCLUDE 10 COPIES)

b6
b7c

SUBJECT/ASSOCIATE DESCRIPTION:

NAME: IRVING KOTT
RACE: _____ SEX: _____ HEIGHT: _____ WEIGHT: _____ BUILD: _____
HAIR: _____ EYES: _____ DOB: _____ GLASSES: _____
FACIAL HAIR: _____ COMPLEXION: _____
SCARS, MARKS, TATTOOS: _____
PECULIARITIES: _____ NARCOTICS USER: _____
ARMED AND DANGEROUS? _____ WEAPON TYPE: _____
RESIDENCE: _____ PHONE: _____
PHOTO ATTACHED: _____ DATE: _____ (INCLUDE 10 COPIES)

FAX.

DESCRIBE LOCATION/POTENTIAL PROBLEM AREAS: _____

BUSINESS ADDRESS: ~~9966~~ J B OXFORD COMPANY, 9665 WILSHIREBLVD, Beverly Hills, CA.BUSINESS HOURS: 6⁰⁰ AM TO ? PHONE: _____

REQUESTED TIME OF DAY/NIGHT FOR MOST EFFECTIVE COVERAGE AND WHY:

VEHICLES:

	1	2	3	4
MAKE/MODEL	<div></div>			
LICENSE				
COLOR				
YEAR				
REGISTRATION				
(ATTACH CLETS)				
IS R/O PERTINENT TO CASE?	yes			

HAS SUBJECT BEEN SURVEILLED BY SOG, REQUESTING SQUAD, OR OTHER AGENCIES IN THE PAST? YES/NO BY WHOM: NO

HAS SUBJECT BECOME AWARE OF PREVIOUS SURVEILLANCE ATTEMPTS? YES/NO IF YES, PROVIDE DETAILS: YES - AGENTS WERE WATCHING

THIS RESIDENCE THE DAY THE BROKENBOR FIRM WAS SEARCHED.

HAS SUBJECT BEEN INTERVIEWED BY FBI OR OTHER AGENCIES IN THE PAST? YES/NO IF YES, PROVIDE DETAILS: NO

IS SUBJECT AWARE OF FBI INTEREST IN HIM/HER? YES/NO

WHAT OTHER SQUADS OR AGENCIES ARE AWARE OF FBI SURVEILLANCE OR ARE CONDUCTING THEIR OWN INVESTIGATION OR SURVEILLANCES? NONE

IN DRUG INVESTIGATIONS HAS NIN BEEN NOTIFIED? YES/NO

ANY INFORMANTS OR COOPERATING WITNESSES SURVEILLANCE TEAM SHOULD BE AWARE OF? NO

OTHER PERTINENT LOCATIONS KNOWN TO FREQUENT: _____

residence

JBOC 9665 WILSHIRE BLVD. Beverly Hills, CA.

ADDITIONAL PERTINENT INFORMATION: _____

(12/31/1995)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 08/29/1997

To: Los Angeles

Attn: SA [REDACTED]

From: Butte ITC

Investigative Information Services Center (IISC)

Contact: [REDACTED]

b6
b7C

Approved By: [REDACTED]

Drafted By: [REDACTED]jew

Case ID #: 196C-LA-208098 (Pending)

Title: IRVING KOTT RECORD# 144678
J B OXFORD AND COMPANY RECORD# 144679

Synopsis: Database searches conducted by the Butte ITC

Enclosures: Attached are copies of printouts setting forth results of inquiries conducted by the Butte ITC. Also attached is a copy of an accomplishment/reply form. It is requested that you record the IISC accomplishments on this form and return it to the Butte ITC.

Details: Using the name, IRVING KOTT, and the address, 9966 BEVERLY GROVE, BEVERLY HILLS, CA, no Social Security Account Number (SSAN) was found. Fifty businesses are located at 9665 WILSHIRE, BEVERLY HILLS, CA with one of these being a J B OXFORD & CO. This record lists a telephone number of 310-777-8888 for J B OXFORD & CO. One file in the U.S. has a record for IRVING KOTT, LOS ANGELES County Superior Court, and this record has been printed in detail.

Fourteen files in the U.S. have records for J B OXFORD AND COMPANY and these records have been printed in detail.

The ITCs do not have access to the INS computer system so no search could be conducted. A subpoena must be served to the financial institution that handles the credit or to the nearest credit bureau to get credit information. [REDACTED]

b7E

196C-LA-208098

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 2 1997	
FBI - LOS ANGELES	

b7E

196C-LA-208098-25

MTS

To: Los Angeles From: Butte ITC
Re: 196C-LA-208098, 08/29/1997

LEAD (s):

Set Lead 1:

LOS ANGELES

AT LOS ANGELES

Complete and return Reply Form to Butte ITC.

♦♦



INVESTIGATIVE INFORMATION REQUEST FORM

FBI, Butte Information Technology Center

400 North Main Street, Room #115

Butte, Montana 59701

Commercial Telephone (406) 782-2304

FTS: 700-585-2391 FAX: (406) 782-9504, 782-9507 & 782-7418

[Redacted]

b7E

ITC Use Only:

Date/Time In:

Date/Time Out:

SITC Record #:

Database(s) Used:

1. TRW

2. [Redacted]

3. [Redacted]

4. MN

5. PH

6. [Redacted]

7. [Redacted]

8. [Redacted]

9. [Redacted]

10. [Redacted]

11. [Redacted]

Handled By:

8/15/92 15:15 am pm

8/19/92 19:30 am pm

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

TO: FBI, BUTTE INFORMATION TECHNOLOGY CENTER

Date: 8-15-97

Forfeiture/Seizure Related: [X]

Type of Request: [X] FAX [] Telcal [] Mail

Reply: [X] FAX [] Telcal [] Mail

Requestor: SA [Redacted]

Phone [Redacted]

FAX [Redacted]

UCFN: 196C-6A-208098

Office/RA: Los Angeles HQ

Precedence: [X] ROUTINE [] PRIORITY [] IMMEDIATE

(UCFN (File #) is Required)

SEARCH CRITERIA (Attach additional sheets if necessary)

Name - Last: KOTT First: IRVING Middle: [Redacted]

Alias: [Redacted] Sex: M DOB1: [Redacted] DOB2: [Redacted]

SSAN1: [Redacted] SSAN2: [Redacted] Spouse: [Redacted]

Fugitive: [] Yes [X] No Driver's License #: [Redacted] State: [Redacted]

RESIDENCE

Street Address: 9966 Beverly Grove City/State: Beverly Hills, CA Zip: 90210 Phone: [Redacted]

BUSINESS OR: 3793 GILGOURD Montreal Quebec CANADA

Business Name: JB OXFORD AND COMPANY Street Address: 9665 WILSHIRE BLVD

City/State: Beverly Hills, CA Zip: 90210 Phone: [Redacted] Business ID#: [Redacted]

CHECK DESIRED SEARCH PARAMETERS (Please check only those that are needed)

- [X] 1. Specific Information Desired Any SOCIAL SECURITY # ALIEN STATUS (INS) Telephone # for Residence Addresses if possible, Credit CARDS of Rhoda or Irving Kott
- [] 2. Determine All Individuals Associated with Social Security Number(s)
- [] 3. Report Validity of Social Security Number
- [X] 4. Employment Report (subject to availability) INQUIRY WILL POST TO CONSUMER'S ACCOUNT
- [X] 5. Determine Who is Associated with Telephone Number(s) (NONE GIVEN)
- [] 6. Determine Address of Business/Person (U.S. , , State(s))
- [X] 7. Determine Property Owned by Individual (U.S. , , State(s))
- [X] 8. Determine Who Owns Property Listed Above
- [X] 9. Determine Who Resides at Address Listed Above
- [X] 10. Determine Financial Background Info, Financial Associates/Institutions (NOT FULL CREDIT REPORTING)
- [X] 11. Determine Corporate Business Info/Institutions Associated with: (Person/Business)
- [] 12. Border crossings into the United States (subject to availability)
- [] 13. Federal Prison Inmate Information

Reply From: FBI, Butte Information Technology Center (SITC)

Return Reply To:

SAC, [Redacted]

Attention: [Redacted]

Based on search criteria, marked records are attached:

[X] Possible Identifiable Records

[] Other Peripheral Information

[] Brief Synopsis of Information Found

[] No Information Found

***** TRW ADDRESS UPDATE *****
* FBI, BUTTE ITC-INVESTIGATIVE INFORMATION SERVICES *
*
***** Dept: DEPARTMENT1 / Queued by: SUPERVISOR *****

DATE:08-29-1997 TIME:08:28:57 SUBJECT ID:Address Update

KOTT, IRVING;
CA-9966 BEVERLY GROVE/BEVERLY HILLS CA 90210;
G-G,V-06/042/6.30,H-Y;

PAGE 1 DATE 8-29-97 TIME 9:31:27 PCB94 V301 TCA7

----- FACS+ SUMMARY -----
SSN NOT PROVIDED ON INPUT

INQ: BUSINESS:

[REDACTED]
9966 BEVERLY GROVE DR
BEVERLY HILLS CA 90210
[REDACTED]

b6
b7c

***** NO RECORD FOUND *****

END -- EXPERIAN

TIME: 09:10:05

METRONET ON-LINE INFORMATION SYSTEM

DATE: 08/29/97

A D D R E S S

VER : 4.2

OPTION : A (E)DA (N)BRS (A)DDR (P)HN (Z)LP (C)ITY (S)TATE (U)S (K)CKPT
(M)ENU (H)ELP (F)WD (B)ACK (W)METRO AREA (X)CLEAR

SELECTION : FILE : R (R)ESIDENTIAL (B)USINESS

NAME : FIRST NAME (Y/N): N STREET NAME (Y/N): N
HOUSE# : 9966 STREET: BEVERLY GROVE
CITY : BEVERLY HILLS ST : ca ZIP CODE: 90210 PHONE #: () -

NO MATCH FOUND FOR THE SEARCH YOU REQUESTED
SO IN SESSION READY COMM OK

■↔■ A0 DCD RAP

TIME: 09:14:26 METRONET ON-LINE INFORMATION SYSTEM DATE: 08/29/97
----- ADDRESS TIE ----- VER: 4.2
OPTION: T (E)DA (N)BRS (A)DDR (P)HN (Z)IP (C)ITY (S)TATE (U)S (K)CKPT
(M)ENU (H)ELP (F)WD (B)ACK (W)METRO AREA (X)CLEAR
SELECTION: FILE: B (R)ESIDENTIAL (B)USINESS

NAME: FIRST NAME (Y/N): N STREET NAME (Y/N): N
HOUSE#: 9665 STREET: WILSHIRE
CITY: BEVERLY HILLS ST: CA ZIP CODE: 90210 PHONE #: () -

ABC REAL ESTATE SERVICE (310) 247 - 7171
9665 WILSHIRE BLVD BEVERLY HILLS CA 90212
SEL NO
1 ABC REAL ESTATE SERVICE (310) 247 - 7171
9665 WILSHIRE BLVD BEVERLY HILLS CA 90212
2 ABC REAL ESTATE SVC (310) 271 - 4727
9665 WILSHIRE BLVD # 220 BEVERLY HILLS CA 90212
3 ALAN G KIRIOS (310) 858 - 7888
9665 WILSHIRE BLVD # 900 BEVERLY HILLS CA 90212
4 AMERICAN DEFERRED EXCH CORP (310) 274 - 2505
9665 WILSHIRE BLVD BEVERLY HILLS CA 90212
5 AMPCO SYSTEM PARKING (310) 275 - 6071
9665 WILSHIRE BLVD BEVERLY HILLS CA 90212

TIE NAMES 01 TO 05 OF 50 ARE DISPLAYED. PRESS ENTER FOR THE NEXT PAGE.

S0 IN SESSION READY COMM OK A0 DCD RAP

TIME: 09:15:11 METRONET ON-LINE INFORMATION SYSTEM DATE: 08/29/97
----- ADDRESS TIE ----- VER: 4.2
OPTION: T (E)DA (N)BRS (A)DDR (P)HN (Z)IP (C)ITY (S)TATE (U)S (K)CKPT
(M)ENU (H)ELP (F)WD (B)ACK (W)METRO AREA (X)CLEAR
SELECTION: FILE: B (R)ESIDENTIAL (B)USINESS

NAME: FIRST NAME (Y/N): N STREET NAME (Y/N): N
HOUSE#: 9665 STREET: WILSHIRE
CITY: BEVERLY HILLS ST: CA ZIP CODE: 90210 PHONE #: () -

ABC REAL ESTATE SERVICE (310) 247 - 7171
9665 WILSHIRE BLVD BEVERLY HILLS CA 90212
SEL NO
6 [REDACTED] (310) 858 - 7888
9665 WILSHIRE BLVD # 900 BEVERLY HILLS CA 90212
7 ANTHONY BRENT CORP (310) 247 - 7171
9665 WILSHIRE BLVD # 220 BEVERLY HILLS CA 90212
8 ARTHUR SOLL LAW OFFICES (310) 278 - 3833
9665 WILSHIRE BLVD BEVERLY HILLS CA 90212
9 [REDACTED] (310) 858 - 3831
9665 WILSHIRE BLVD BEVERLY HILLS CA 90212
10 CANYON PARTNERS INC (310) 247 - 2700
9665 WILSHIRE BLVD BEVERLY HILLS CA 90212

TIE NAMES 06 TO 10 OF 50 ARE DISPLAYED. PRESS ENTER FOR THE NEXT PAGE.

S0 IN SESSION READY COMM OK A0 DCD RAP

TIME: 09:15:21 METRONET ON-LINE INFORMATION SYSTEM DATE: 08/29/97
----- ADDRESS TIE ----- VER: 4.2
OPTION: T (E)DA (N)BRS (A)DDR (P)HN (Z)IP (C)ITY (S)TATE (U)S (K)CKPT
(M)ENU (H)ELP (F)WD (B)ACK (W)METRO AREA (X)CLEAR
SELECTION: FILE: B (R)ESIDENTIAL (B)USINESS

NAME: FIRST NAME (Y/N): N STREET NAME (Y/N): N

HOUSE# : 9665 STREET: WILSHIRE
CITY : BEVERLY HILLS ST : CA ZIP CODE: 90210 PHONE #: () -

ABC REAL ESTATE SERVICE (310) 247 - 7171
9665 WILSHIRE BLVD BEVERLY HILLS CA 90212

SEL NO

11	CANYON PARTNERS INC	(310) 286 - 2500		
	9665 WILSHIRE BLVD # 200	BEVERLY HILLS	CA	90212
12	CENTER FOR COGNITIVE THERAP	(310) 858 - 0240		
	9665 WILSHIRE BLVD # 520	BEVERLY HILLS	CA	90212
13	DANIEL H WOLFF	(310) 858 - 7888		
	9665 WILSHIRE BLVD # 900	BEVERLY HILLS	CA	90212
14	DAVID J GULLEN	(310) 858 - 7888		
	9665 WILSHIRE BLVD # 900	BEVERLY HILLS	CA	90212
15	GREAT REFLECTIONS AUTO	(310) 205 - 0278		
	9665 WILSHIRE BLVD	BEVERLY HILLS	CA	90212

TIE NAMES 11 TO 15 OF 50 ARE DISPLAYED. PRESS ENTER FOR THE NEXT PAGE.

S0 IN SESSION READY COMM OK A0 DCD RAP

TIME: 09:15:28 METRONET ON-LINE INFORMATION SYSTEM DATE: 08/29/97

----- ADDRESS TIE ----- VER : 4.2
OPTION : T (E)DA (N)BRS (A)DDR (P)HN (Z)IP (C)ITY (S)TATE (U)S (K)CKPT
(M)ENU (H)ELP (F)WD (B)ACK (W)METRO AREA (X)CLEAR

SELECTION : FILE : B (R)ESIDENTIAL (B)USINESS

NAME : FIRST NAME (Y/N): N STREET NAME (Y/N): N

HOUSE# : 9665 STREET: WILSHIRE
CITY : BEVERLY HILLS ST : CA ZIP CODE: 90210 PHONE #: () -

ABC REAL ESTATE SERVICE (310) 247 - 7171
9665 WILSHIRE BLVD BEVERLY HILLS CA 90212

SEL NO

16	GRUNTAL & CO	(310) 288 - 7000		
	9665 WILSHIRE BLVD # 1000	BEVERLY HILLS	CA	90212
17	HEYMONT & CO FINANCIAL & IN	(310) 278 - 0339		
	9665 WILSHIRE BLVD # 500	BEVERLY HILLS	CA	90212
18	HOULIHAN & CO	(310) 777 - 0170		
	9665 WILSHIRE BLVD	BEVERLY HILLS	CA	90212
19	J B OXFORD & CO	(310) 777 - 0166		
	9665 WILSHIRE BLVD # 300	BEVERLY HILLS	CA	90212
20	J B OXFORD & CO	(310) 777 - 8870		
	9665 WILSHIRE BLVD	BEVERLY HILLS	CA	90212

TIE NAMES 16 TO 20 OF 50 ARE DISPLAYED. PRESS ENTER FOR THE NEXT PAGE.

S0 IN SESSION READY COMM OK A0 DCD RAP

TIME: 09:15:34 METRONET ON-LINE INFORMATION SYSTEM DATE: 08/29/97

----- ADDRESS TIE ----- VER : 4.2
OPTION : T (E)DA (N)BRS (A)DDR (P)HN (Z)IP (C)ITY (S)TATE (U)S (K)CKPT
(M)ENU (H)ELP (F)WD (B)ACK (W)METRO AREA (X)CLEAR

SELECTION : FILE : B (R)ESIDENTIAL (B)USINESS

NAME : FIRST NAME (Y/N): N STREET NAME (Y/N): N

HOUSE# : 9665 STREET: WILSHIRE
CITY : BEVERLY HILLS ST : CA ZIP CODE: 90210 PHONE #: () -

ABC REAL ESTATE SERVICE (310) 247 - 7171
9665 WILSHIRE BLVD BEVERLY HILLS CA 90212

SEL NO

21	J B OXFORD & CO	(310) 777 - 8888		
	9665 WILSHIRE BLVD	BEVERLY HILLS	CA	90212

22 J B OXFORD HOLDINGS INC (310) 777 - 8888
9665 WILSHIRE BLVD # 3 BEVERLY HILLS CA 90212
23 [REDACTED] (310) 785 - 1886
9665 WILSHIRE BLVD BEVERLY HILLS CA 90212
24 [REDACTED] (310) 785 - 1700
9665 WILSHIRE BLVD # 210 BEVERLY HILLS CA 90212
25 KURT HIRSCH INSURANCE SVC (310) 274 - 1769
9665 WILSHIRE BLVD # 500 BEVERLY HILLS CA 90212

TIE NAMES 21 TO 25 OF 50 ARE DISPLAYED. PRESS ENTER FOR THE NEXT PAGE.

S0 IN SESSION READY COMM OK A0 DCD RAP

TIME: 09:15:40 METRONET ON-LINE INFORMATION SYSTEM DATE: 08/29/97

----- ADDRESS TIE ----- VER : 4.2
OPTION : T (E)DA (N)BRS (A)DDR (P)HN (Z)IP (C)ITY (S)TATE (U)S (K)CKPT
(M)ENU (H)ELP (F)WD (B)ACK (W)METRO AREA (X)CLEAR
SELECTION : FILE : B (R)ESIDENTIAL (B)USINESS

NAME : FIRST NAME (Y/N): N STREET NAME (Y/N): N
HOUSE# : 9665 STREET: WILSHIRE
CITY : BEVERLY HILLS ST : CA ZIP CODE: 90210 PHONE #: () -

ABC REAL ESTATE SERVICE (310) 247 - 7171
9665 WILSHIRE BLVD BEVERLY HILLS CA 90212
SEL NO
26 LAWRENCE WEINBERG ASSOC (310) 205 - 4800
9665 WILSHIRE BLVD BEVERLY HILLS CA 90212
27 [REDACTED] (310) 858 - 7888
9665 WILSHIRE BLVD # 900 BEVERLY HILLS CA 90212
28 MANNS & GREEN (310) 276 - 5670
9665 WILSHIRE BLVD # 410 BEVERLY HILLS CA 90212
29 MARTIN HORWITZ LAW OFFICE (310) 470 - 9295
9665 WILSHIRE BLVD # 505 BEVERLY HILLS CA 90212
30 MERRILL LYNCH (310) 285 - 6888
9665 WILSHIRE BLVD BEVERLY HILLS CA 90212

TIE NAMES 26 TO 30 OF 50 ARE DISPLAYED. PRESS ENTER FOR THE NEXT PAGE.

S0 IN SESSION READY COMM OK A0 DCD RAP

TIME: 09:15:46 METRONET ON-LINE INFORMATION SYSTEM DATE: 08/29/97

----- ADDRESS TIE ----- VER : 4.2
OPTION : T (E)DA (N)BRS (A)DDR (P)HN (Z)IP (C)ITY (S)TATE (U)S (K)CKPT
(M)ENU (H)ELP (F)WD (B)ACK (W)METRO AREA (X)CLEAR
SELECTION : FILE : B (R)ESIDENTIAL (B)USINESS

NAME : FIRST NAME (Y/N): N STREET NAME (Y/N): N
HOUSE# : 9665 STREET: WILSHIRE
CITY : BEVERLY HILLS ST : CA ZIP CODE: 90210 PHONE #: () -

ABC REAL ESTATE SERVICE (310) 247 - 7171
9665 WILSHIRE BLVD BEVERLY HILLS CA 90212
SEL NO
31 [REDACTED] (310) 858 - 7888
9665 WILSHIRE BLVD # 900 BEVERLY HILLS CA 90212
32 [REDACTED] (310) 858 - 7888
9665 WILSHIRE BLVD # 900 BEVERLY HILLS CA 90212
33 [REDACTED] (310) 858 - 7888
9665 WILSHIRE BLVD # 900 BEVERLY HILLS CA 90212
34 MONY MUTUAL OF NEW YORK (310) 278 - 6006
9665 WILSHIRE BLVD BEVERLY HILLS CA 90212
35 MUTUAL OF NEW YORK INSURANC (310) 278 - 6006
9665 WILSHIRE BLVD # 500 BEVERLY HILLS CA 90212

TIE NAMES 31 TO 35 OF 50 ARE DISPLAYED. PRESS ENTER FOR THE NEXT PAGE.

S0 IN SESSION READY

COMM OK

■ A0 DCD RAP

TIME: 09:15:52

METRONET ON-LINE INFORMATION SYSTEM

DATE: 08/29/97

----- A D D R E S S T I E -----

VER : 4.2

OPTION : T (E)DA (N)BRS (A)DDR (P)HN (Z)IP (C)ITY (S)TATE (U)S (K)CKPT
(M)ENU (H)ELP (F)WD (B)ACK (W)METRO AREA (X)CLEAR

SELECTION : FILE : B (R)ESIDENTIAL (B)USINESS

NAME : FIRST NAME (Y/N): N STREET NAME (Y/N): N
HOUSE# : 9665 STREET: WILSHIRE
CITY : BEVERLY HILLS ST : CA ZIP CODE: 90210 PHONE #: () -

ABC REAL ESTATE SERVICE
9665 WILSHIRE BLVD

(310) 247 - 7171
BEVERLY HILLS CA 90212

SEL NO

36 PALM LAND CO INC

(310) 205 - 3470
BEVERLY HILLS CA 90212

9665 WILSHIRE BLVD

37 RAYMOND H JACOBSEN DDS

(310) 276 - 6286

9665 WILSHIRE BLVD # 222

BEVERLY HILLS CA 90212

38 RICHARD J MOORE DDS

(310) 275 - 8857

9665 WILSHIRE BLVD # 222

BEVERLY HILLS CA 90212

39 [REDACTED]

(310) 858 - 7888

9665 WILSHIRE BLVD # 900

BEVERLY HILLS CA 90212

40 RUBIN & EAGAN

(310) 785 - 1700

9665 WILSHIRE BLVD # 801

BEVERLY HILLS CA 90212

TIE NAMES 36 TO 40 OF 50 ARE DISPLAYED. PRESS ENTER FOR THE NEXT PAGE.

S0 IN SESSION READY

COMM OK

■ A0 DCD RAP

TIME: 09:15:59

METRONET ON-LINE INFORMATION SYSTEM

DATE: 08/29/97

----- A D D R E S S T I E -----

VER : 4.2

OPTION : T (E)DA (N)BRS (A)DDR (P)HN (Z)IP (C)ITY (S)TATE (U)S (K)CKPT
(M)ENU (H)ELP (F)WD (B)ACK (W)METRO AREA (X)CLEAR

SELECTION : FILE : B (R)ESIDENTIAL (B)USINESS

NAME : FIRST NAME (Y/N): N STREET NAME (Y/N): N
HOUSE# : 9665 STREET: WILSHIRE
CITY : BEVERLY HILLS ST : CA ZIP CODE: 90210 PHONE #: () -

ABC REAL ESTATE SERVICE
9665 WILSHIRE BLVD

(310) 247 - 7171
BEVERLY HILLS CA 90212

SEL NO

41 SHAUN SHENASSA BUSINESS MGM

(310) 550 - 8815
BEVERLY HILLS CA 90212

9665 WILSHIRE BLVD

42 SMITH BARNEY INC

(310) 285 - 2600

9665 WILSHIRE BLVD # 700

BEVERLY HILLS CA 90212

43 SOTHEBYS INC

(310) 274 - 0340

9665 WILSHIRE BLVD

BEVERLY HILLS CA 90212

44 SOTHEBYS INTERNATIONAL REAL

(310) 724 - 7000

9665 WILSHIRE BLVD

BEVERLY HILLS CA 90212

45 [REDACTED]

(310) 858 - 7888

9665 WILSHIRE BLVD # 900

BEVERLY HILLS CA 90212

TIE NAMES 41 TO 45 OF 50 ARE DISPLAYED. PRESS ENTER FOR THE NEXT PAGE.

S0 IN SESSION READY

COMM OK

■ A0 DCD RAP

TIME: 09:16:06

METRONET ON-LINE INFORMATION SYSTEM

DATE: 08/29/97

----- A D D R E S S T I E -----

VER : 4.2

OPTION : T (E)DA (N)BRS (A)DDR (P)HN (Z)IP (C)ITY (S)TATE (U)S (K)CKPT
(M)ENU (H)ELP (F)WD (B)ACK (W)METRO AREA (X)CLEAR

SELECTION : FILE : B (R)ESIDENTIAL (B)USINESS

NAME : FIRST NAME (Y/N): N STREET NAME (Y/N): N
HOUSE# : 9665 STREET: WILSHIRE
CITY : BEVERLY HILLS ST : CA ZIP CODE: 90210 PHONE #: () -

ABC REAL ESTATE SERVICE
9665 WILSHIRE BLVD

(310) 247 - 7171
BEVERLY HILLS CA 90212

SEL NO

46 STRATEGIC DATA SOLUTIONS

(310) 205 - 3838
BEVERLY HILLS CA 90212

47 BLVD

(310) 858 - 7888

b6
b7c

9665 WILSHIRE BLVD # 900

BEVERLY HILLS CA 90212

48 WEISSMAN WOLFF BERGMAN COLE

(310) 858 - 7888

9665 WILSHIRE BLVD # 900

BEVERLY HILLS CA 90212

49 WESTMINSTER CAPITAL INC

(310) 278 - 1930

9665 WILSHIRE BLVD # M10

BEVERLY HILLS CA 90212

50 ZUKOR & NELSON

(310) 274 - 0846

9665 WILSHIRE BLVD # 505

BEVERLY HILLS CA 90212

THIS IS THE LAST PAGE OF DATA FOR YOUR SEARCH. PRESS ENTER TO RETURN TO PAGE 1

S0 IN SESSION READY COMM OK

■↔■ A0 DCD RAP

Please ENTER the NAME (only one) of the file you want to search. You may ENTER the NAME of any file, not only those listed below. To see other descriptions, press the NEXT PAGE or PREV PAGE key. To return to the file menu screen, enter .CF or press the CHANGE FILE key.

DESCRIPTIONS -- PAGE 7 of 93

NAME FILE

NAME FILE

* * * * * C A L I F O R N I A P R O P E R T Y R E C O R D S * * * * *

CAOWN Combined CAPROP and CASALE

CAPSOU Group file of the 6
SOUTHERN counties.

CAPROP Group file of property
records of all 58 CALIFORNIA
county assessors' offices.

CASALE Current DEED transfers.
Collected from recorder
offices and market sources
for 35 CALIFORNIA counties.

CAPITL Group file of the 10
CAPITAL area counties.

CAPBAY Group file of the 13
BAY area counties.

To see individual county files: Press NEXT PAGE (.np) key.

For further explanation, press the H key (for HELP) and then the ENTER key.

Please ENTER the NAME (only one) of the file you want to search. You may ENTER the NAME of any file, not only those listed below. To see other descriptions, press the NEXT PAGE or PREV PAGE key. To return to the file menu screen, enter .CF or press the CHANGE FILE key.

DESCRIPTIONS -- PAGE 8 of 93

NAME FILE

NAME FILE

* * C A L I F O R N I A P R O P E R T Y R E C O R D S B Y C O U N T Y *

CAPALA Alameda County*

CAPALP Alpine County

CAPAMA Amador County

CAPBUT Butte County*

CAPCAL Calaveras County

CAPCOL Colusa County

CAPCC Contra Costa County*

CAPDN Del Norte County

CAPED El Dorado County*

CAPFRE Fresno County*

CAPGLE Glenn County

CAPHUM Humboldt County*

CAPIMP Imperial County*

CAPINY Inyo County

CAPKER Kern County*

CAPKIN Kings County*

CAPLAK Lake County

CAPLAS Lassen County

CAPLA Los Angeles County*

CAPMAD Madera County

* Asterisks indicate counties having DEED transfers in the CAOWN and CASALE files.

For further explanation, press the H key (for HELP) and then the ENTER key.

Please ENTER the NAME (only one) of the file you want to search. You may ENTER the NAME of any file, not only those listed below. To see other descriptions, press the NEXT PAGE or PREV PAGE key. To return to the file menu screen, enter .CF or press the CHANGE FILE key.

DESCRIPTIONS -- PAGE 9 of 93

NAME FILE

NAME FILE

* * C A L I F O R N I A P R O P E R T Y R E C O R D S B Y C O U N T Y *

CAPMRN Marin County*

CAPMPA Mariposa County

CAPMEN Mendocino County

CAPMER Merced County*

CAPMOD Modoc County

CAPMNO Mono County

CAPMON Monterey County*

CAPNAP Napa County*

CAPNEV Nevada County*

CAPORG Orange County*

CAPPLA Placer County*

CAPPLU Plumas County

CAPRIV Riverside County*

CAPSAC Sacramento County*

CAPSBT San Benito County

CAPSBD San Bernardino County*

CAPSD San Diego County*

CAPSF San Francisco County*

CAPSJ San Joaquin County*

CAPSLO San Luis Obispo County*

* Asterisks indicate counties having DEED transfers in the CAOWN and CASALE files.

For further explanation, press the H key (for HELP) and then the ENTER key.

Please ENTER the NAME (only one) of the file you want to search. You may ENTER the NAME of any file, not only those listed below. To see other descriptions, press the NEXT PAGE or PREV PAGE key. To return to the file menu screen, enter .CF or press the CHANGE FILE key.

DESCRIPTIONS -- PAGE 10 of 93

NAME FILE

NAME FILE

* * C A L I F O R N I A P R O P E R T Y R E C O R D S B Y C O U N T Y *

CAPSM San Mateo County*

CAPSTA Stanislaus County*

CAPSB Santa Barbara County*

CAPSUT Sutter County

CAPSCL Santa Clara County*

CAPTEH Tehama County

CAPSCR Santa Cruz County*

CAPTRI Trinity County

CAPSHA Shasta County*

CAPTUL Tulare County*

CAPSIE Sierra County

CAPTUO Tuolumne County

CAPNIS Siskiyou County

CAPVEN Ventura County*

CAPSOL Solano County*

CAPYOL Yolo County*

CAPSON Sonoma County*

CAPYUB Yuba County

* Asterisks indicate counties having DEED transfers in the CAOWN and CASALE files.

For further explanation, press the H key (for HELP) and then the ENTER key.

To print, ready your printer and press ENTER,
or type 'c' to print continuously...: C

Individual by Region PROBE (Nationwide)
Databases Where Matches Were Found

Date: 8/29/97
Reference: CCCC
Search Criteria: KOTT IRVING

Time: 8:07 AM
Requestor: FBI

1 CA Los Angeles County Superior Court Civil
Data Available From 01/01/79 Thru 08/08/97

End of probe.

RU)	RUN Selected Searches	N)	Exit & Begin NEXT Probe
BR)	Go to BEGINNING of REPORT	M)	Exit & Go to Previous Menu
NM)	Exit and Show Databases where no matches were found	A)	Review ACCESS Options

Enter your selection from the above Menu:

Alt-Z FOR HELP| ANSI | FDX | 9600 E71 | LOG CLOSED | PRINT OFF | ON-LINE
1,RU

To print, ready your printer and press ENTER,
or type 'c' to print continuously...: C

CA Los Angeles County Superior Court Civil
Data From: 01/01/79 - 08/08/97

Date: 8/29/97
Reference: CCCC
Search Criteria: KOTT IRVING

Time: 8:07 AM
Requestor: FBI

	PARTY NAME	CASE NUMBER	FILE DATE	COURT LOCATION
1	DEFE KOTT IRVING	BC127221	05/12/1995	LOS ANGELES
2	DEFE KOTT IRVING	BC126935	05/01/1995	LOS ANGELES
3	DEFE KOTT IRVING	SC026784	10/21/1993	SANTA MONICA
4	DEFE KOTT IRVING	BC038985	10/03/1991	LOS ANGELES

End of search.

D)	Display DETAIL Information	M)	Exit & Go To Previous MENU
BR)	Go to BEGINNING of Summary Listings	A)	Review ACCESS Options

Enter your Selection from the above Menu: 1-4,D

To print, ready your printer and press ENTER,
or type 'c' to print continuously...: C

CA Los Angeles County Superior Court Civil

Data From: 01/01/79 - 08/08/97

Date: 8/29/97
Reference: CCCC
Search Criteria: KOTT IRVING

Time: 8:07 AM
Requestor: FBI

1 Case Number: BC127221
File Date: 05/04/1995
Location: CENTRAL (LOS ANGELES)
Case Type: CIVIL
Action: CONTRACT/COMMERCIAL

Defendant: HATELY DONALD
OXFORD&CO J B
SHRINER DAVID

Plaintiff: BEACHPORT ENTERTAIN CORP
BENJAMIN PROD STUART

Pltf. Attorney: LOVE-BOSSERMAN

Case Number: BC127221
File Date: 05/12/1995
Location: CENTRAL (LOS ANGELES)
Case Type: CIVIL

Defendant: * KOTT IRVING

2 Case Number: BC126935
File Date: 05/01/1995
Location: CENTRAL (LOS ANGELES)
Case Type: CIVIL
Action: CONTRACT/COMMERCIAL

Defendant: FINAN STRATEGIES INTERNATL
KOTT IAN
* KOTT IRVING
MCLELLAND RICHARD
OERI FINAN INC
STRATTON INC REYNOLDS K
TREMBLAY YVONNE

Plaintiff: MYLES KELVIN P

Pltf. Attorney: BROBECK-PHLEGER-HARRISON

3 Case Number: SC026784
File Date: 10/21/1993
Location: WEST (SANTA MONICA)
Case Type: CIVIL

Defendant: HOULIHAN RICHARD
HOULIHAN VALUATION ADVISORS
* KOTT IRVING
R K S FINAN GRP INC
REYNOLDS KENDRICK STRATTON
SENIOR WALTER
STRATTON WILLIAM

Plaintiff: ENZER DAVID J

4 Case Number: BC038985
File Date: 10/03/1991
Location: CENTRAL (LOS ANGELES)
Case Type: CIVIL
Action: CONTRACT/COMMERCIAL

Defendant: DESIGNERS OWN INC
FOREST LN INC
GROVE STEPHEN
HENSEL IRENE
JOHNSON NANCY
* KOTT IRVING
LANGE JOHN
LOEB JULES
MAGO ASHOK
MATHEWS HARLAND
OATES RON
PORTUGAL BEN
STOCKBURY FASHION LTD
STONEFIELD JOEL

Plaintiff: PICHINSON MARTIN
SALKE ALAN

End of search.

Press ENTER to continue or enter "R" to Resend:

D)	Display DETAIL Information	M)	Exit & Go To Previous MENU
BR)	Go to BEGINNING of Summary Listings	A)	Review ACCESS Options

Enter your Selection from the above Menu:

BR

Business by Region PROBE (Nationwide)
Databases Where Matches Were Found

Date: 8/29/97
Reference: sitc
Search Criteria: J B OXFORD AND COMPANY

Time: 10:15 AM
Requestor: 000

- 1 CA Corporation & Limited Partnership Records - By Name
Data Available Thru 08/15/97
- 2 MA Corporation & Limited Partnership Records - By Name
Data Available Thru 07/28/97
- 3 NY Corporation & Limited Partnership Records - By Name
Data Available From 01/01/01 Thru 08/15/97
- 4 TX Corporation & Limited Partnership Records - By Name
Data Available Thru 08/15/97
- 5 UT Corporation & Limited Partnership Records - By Name
Data Available From 01/01/01 Thru 04/03/96
- 6 CA UCC Summary/Detail Search by Debtor Name
Data Available From 01/04/65 Thru 08/20/97
- 7 MA UCC Summary/Detail Search by Debtor Name
Data Available From 01/02/90 Thru 08/11/97
- 8 NY UCC Summary/Detail Search by Debtor Name
Data Available From 02/01/81 Thru 07/24/97
- 9 TX UCC Summary/Detail Search by Debtor Name
Data Available From 07/01/66 Thru 08/18/97
- 10 CA Bankruptcies, Liens, Judgments & Notice of Default
- 11 CA Los Angeles County Superior Court Civil
Data Available From 01/01/79 Thru 08/08/97
- 12 CA Los Angeles County All Municipal Court Civil
Data Available Thru 08/13/97
- 13 CA Los Angeles County General Index
Data Available From 04/07/85 Thru 06/30/97
- 14 TX Franchise Tax Summary Search - Summary/Detail
Data Available Thru 07/30/97

End of probe.

RU)	RUN Selected Searches	N)	Exit & Begin NEXT Probe
BR)	Go to BEGINNING of REPORT	M)	Exit & Go to Previous Menu
NM)	Exit and Show Databases where no matches were found	A)	Review ACCESS Options

Enter your selection from the above Menu: 1-14,RU

To print, ready your printer and press ENTER,
or type 'c' to print continuously...: C

CA Corporation & Limited Partnership Records - By Name
Data From: 00/00/00 - 08/15/97

Date: 8/29/97
Reference: sitc
Search Criteria: J B OXFORD AND COMPANY

Time: 10:15 AM
Requestor: 000

This data is for informational purposes only. Certification can only be
obtained through The Office of The California Secretary of State.

No.	Name	Name Type	Corp. ID#/Name	State	Status
1	JB OXFORD & COMPANY	BUS	01880057	CA	ACTIVE
2	JB OXFORD & COMPANY ADVERTI	BUS	01749259	CA	ACTIVE

End of search.

D)	Display DETAIL Information	N)	Begin NEXT Search
BR)	Go to BEGINNING of Summary Listings	M)	Exit & Go To Previous MENU
		A)	Review ACCESS Options

Enter your Selection from the above Menu: 1,2,D

To print, ready your printer and press ENTER,
or type 'c' to print continuously...: C

CA Corporation & Limited Partnership Records
Data From: 00/00/00 - 08/15/97

Date: 8/29/97	Time: 10:16 AM
Reference: sitc	Requestor: 000
Search Criteria: J B OXFORD AND COMPANY	

This data is for informational purposes only. Certification can only be
obtained through The Office of The California Secretary of State.

1 (Item Number)

State: CA

Company Name: JB OXFORD & COMPANY

Mailing Address: 9665 WILSHIRE BLVD 3RD FLR #300
BEVERLY HILLS, CA 90212

Company ID Number: 01880057

Incorporated Date: 01/20/1994

Current Status: ACTIVE

Corporation Type: STATEMENT & DESIGNATION BY FOREIGN CORPORATION

Originated State: UT

Corporation Tax Base: STOCK

FTB Status: NOT SUSPENDED

Statement of Officers

File No.: 0405462

Last Complete

Statement File Date: 09/03/96

Registered Agent

Name: SCOTT G MONSON

Address: 9665 WILSHIRE BLVD 3RD FLR #300
BEVERLY HILLS, CA 90212

Officers & Directors

President: STEPHEN RUBENSTEIN

Address: 9665 WILSHIRE BLVD 3RD FLR #300

- | | | | |
|-----|------------------------------------|----|----------------------------|
| BD) | Go to BEGINNING of Detail Listings | N) | Begin NEXT Search |
| | | M) | Exit & Go To Previous MENU |
| | | A) | Review ACCESS Options |

Do you wish to run the next search that you selected (Y/n)?

Date: 8/29/97
Reference: sitc
Search Criteria: J B OXFORD AND COMPANY

No.	Name	Name Type	Corp. ID#/Name	State	Status
1	JB OXFORD & COMPANY	BUS	870399558	MA	ACTIVE

- | | | | |
|-----|-------------------------------------|----|----------------------------|
| D) | Display DETAIL Information | N) | Begin NEXT Search |
| BR) | Go to BEGINNING of Summary Listings | M) | Exit & Go To Previous MENU |
| | | A) | Review ACCESS Options |

Date: 8/29/97
Reference: sitc
Search Criteria: J B OXFORD AND COMPANY

1 (Item Number)
State: MA
Company Name: JB OXFORD & COMPANY

Corporate Address: 9665 WILSHIRE BLVD., 3RD FL
BEVERLY HILLS, CA 90212

Company ID Number: 870399558
Incorporated Date: 09/16/1996
Current Status: ACTIVE
Corporation Type: FOREIGN - PROFIT
Originated State: UTAH
Resident Agent: AGENT ON FILE
Fiscal Year End: 12/31
Foreign Date: 08/23/1983

Registered Agent

Name: C T CORPORATION SYSTEM
Address: 2 OLIVER ST., BOSTON, MA, 02109

Officers & Directors

President: STEPHEN RUBENSTEIN
Address: 9665 WILSHIRE BLVD., 3RD FL, BEVERLY HILLS, CA, 902
12

Treasurer: MICHAEL CHIODO
Address: 9665 WILSHIRE BLVD., 3RD FL, BEVERLY HILLS, CA, 902
12

Date Number History Transaction(s)
Description

02/01/1997 97013403 Annual Report
Page: 096
09/16/1996 96260032 Organization - Foreign Registration
Page: 005
=====

End of search.

- To order Documents, enter LINE NUMBERS (ex. 1,2,3,DOC or 1-4,DOC or ALL,DOC)
- To display Details from Add'l Name Matches, AT NO ADDITIONAL CHARGE,
enter LINE NUMBERS (ex. 1,2,3,AM or 1-4,AM or ALL,AM)

BD) Go to BEGINNING of Detail Listings N) Begin NEXT Search
M) Exit & Go To Previous MENU
A) Review ACCESS Options

Enter your Selection from the above Menu: N

Do you wish to run the next search that you selected (Y/n)?

To print, ready your printer and press ENTER,
or type 'c' to print continuously...: C

NY Corporation & Limited Partnership Records - By Name

Data From: 01/01/01 - 08/15/97

Date: 8/29/97

Reference: sitc

Search Criteria: J B OXFORD AND COMPANY

Time: 10:16 AM

Requestor: 000

This data is for informational purposes only. Certification can only be obtained through The Office of The New York Secretary of State.

No.	Name	Name Type	Corp. ID#/Name	State	Status
1	JB OXFORD & COMPANY	BUS	2058498	NY	ACTIVE

End of search.

- | | | | |
|-----|-------------------------------------|----|----------------------------|
| D) | Display DETAIL Information | N) | Begin NEXT Search |
| BR) | Go to BEGINNING of Summary Listings | M) | Exit & Go To Previous MENU |
| | | A) | Review ACCESS Options |

Enter your Selection from the above Menu: 1,D

To print, ready your printer and press ENTER,
or type 'c' to print continuously...: C

NY Corporation & Limited Partnership Records

Data From: 01/01/01 - 08/15/97

Date: 8/29/97

Reference: sitc

Search Criteria: J B OXFORD AND COMPANY

Time: 10:16 AM

Requestor: 000

This data is for informational purposes only. Certification can only be obtained through The Office of The New York Secretary of State.

1 (Item Number)

State: NY

Company Name: JB OXFORD & COMPANY

Company ID Number: 2058498

Incorporated Date: 08/19/1996

Current Status: ACTIVE - INCORPORATION/APPLICATION FOR
AUTHORITY

Status Date: 08/19/1996

Corporation Type: FOREIGN BUSINESS

County: NEW YORK

Originated State: UTAH

Foreign Inc. Date: 08/23/1983

Duration: PERPETUAL

Registered Agent

Name: C T CORPORATION SYSTEM

Address: 1633 BROADWAY
NEW YORK, NY 10019

Effective Date: 08/19/1996

Process Address: C T CORPORATION SYSTEM
1633 BROADWAY
NEW YORK, NY 10019

Effective Date: 08/19/1996

Date	Microfilm#	History Transaction(s) Description
-----	-----	-----
08/19/1996	960819000479	APPLICATION AUTHORITY (FOREIGN BUSINESS) ORIGIN : Corporation Name JB OXFORD & COMPANY ORIGIN : County Principal Office/ NEW YORK ORIGIN : Duration/ PERPETUAL ORIGIN : Foreign Incorp. Date/ 08/23/1983 ORIGIN : Originated State/ UTAH ORIGIN : Process Address C T CORPORATION SYSTEM 1633 BROADWAY NEW YORK, NY 10019 ORIGIN : Registered Agent C T CORPORATION SYSTEM 1633 BROADWAY NEW YORK, NY 10019

End of search.

- To order Documents, enter LINE NUMBERS (ex. 1,2,3,DOC or 1-4,DOC or ALL,DOC)
- To display Details from Add'l Name Matches, AT NO ADDITIONAL CHARGE, enter LINE NUMBERS (ex. 1,2,3,AM or 1-4,AM or ALL,AM)

BD)	Go to BEGINNING of Detail Listings	N)	Begin NEXT Search
		M)	Exit & Go To Previous MENU
		A)	Review ACCESS Options

Enter your Selection from the above Menu: N

Do you wish to run the next search that you selected (Y/n)?

```
To print, ready your printer and press ENTER,
or type 'c' to print continuously...: C
```

TX Corporation & Limited Partnership Records - By Name
Data From: 00/00/00 - 08/15/97

Date: 8/29/97
Reference: sitc
Search Criteria: J B OXFORD AND COMPANY

Time: 10:17 AM
Requestor: 000

This data is for informational purposes only. Certification can only be obtained through The Office of The Texas Secretary of State.

No.	Name	Name Type	Corp. ID#/Name	State	Status
1	JB OXFORD & COMPANY	BUS	0010184706	TX	ACTIVE

End of search.

D)	Display DETAIL Information	N)	Begin NEXT Search
BR)	Go to BEGINNING of Summary Listings	M)	Exit & Go To Previous MENU
		A)	Review ACCESS Options

Enter your Selection from the above Menu: 1,D

To print, ready your printer and press ENTER,
or type 'c' to print continuously...: C

TX Corporation & Limited Partnership Records
Data From: 00/00/00 - 08/15/97

Date: 8/29/97

Time: 10:17 AM

Reference: sitc

Requestor: 000

Search Criteria: J B OXFORD AND COMPANY

This data is for informational purposes only. Certification can only be
obtained through The Office of The Texas Secretary of State.

1 (Item Number)
State: TX
Company Name: JB OXFORD & COMPANY
Tax Address: 350 N ST PAUL ST
DALLAS, TX 75201
Tax ID: 030117433752
Tax Year: 1996
Company ID Number: 0010184706
Incorporated Date: 09/29/1994
Current Status: ACTIVE
Corporation Type: FOREIGN PROFIT
Originated State: UTAH
Duration: PERPETUAL

Registered Agent

Name: C T CORPORATION SYSTEM
Address: 350 N. ST. PAUL ST.
DALLAS, TX 75201
=====

End of search.

- To order Documents, enter LINE NUMBERS (ex. 1,2,3,DOC or 1-4,DOC or ALL,DOC)
- To display Details from Add'l Name Matches, AT NO ADDITIONAL CHARGE,
enter LINE NUMBERS (ex. 1,2,3,AM or 1-4,AM or ALL,AM)

BD)	Go to BEGINNING of Detail Listings	N)	Begin NEXT Search
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- M) Exit & Go To Previous MENU
A) Review ACCESS Options

Enter your Selection from the above Menu: N

Do you wish to run the next search that you selected (Y/n)?

To print, ready your printer and press ENTER,
or type 'c' to print continuously...: C

UT Corporation & Limited Partnership Records - By Name
Data From: 01/01/01 - 04/03/96

Date: 8/29/97 Time: 10:17 AM
Reference: sitc Requestor: 000
Search Criteria: J B OXFORD AND COMPANY

This data is for informational purposes only. Certification can only be
obtained through The Utah Department of Commerce.

No.	Name	Name Type	Corp. ID#/Name	State	Status
1	JB OXFORD & COMPANY	BUS	105358-CO	UT	ACTIVE

End of search.

- D) Display DETAIL Information N) Begin NEXT Search
BR) Go to BEGINNING of Summary Listings M) Exit & Go To Previous MENU
A) Review ACCESS Options

Enter your Selection from the above Menu: 1,D

To print, ready your printer and press ENTER,
or type 'c' to print continuously...: C

UT Corporation & Limited Partnership Records
Data From: 01/01/01 - 04/03/96

Date: 8/29/97 Time: 10:17 AM
Reference: sitc Requestor: 000
Search Criteria: J B OXFORD AND COMPANY

This data is for informational purposes only. Certification can only be
obtained through The Utah Department of Commerce.

1 (Item Number)
State: UT
Company Name: JB OXFORD & COMPANY
Company ID Number: 105358-CO
Incorporated Date: 08/23/1983
Current Status: ACTIVE - GOOD STANDING
Corporation Type: DOMESTIC PROFIT

Originated State: UTAH
SIC/Title: 6289 - SECURITY & COMMODITY SERVICES, NEC

Stock Information

Class: COMMON
Authorized Shares: 40,000

Class: PREFERRED
Authorized Shares: 10,000

Registered Agent

Name: C T CORPORATION SYSTEM
Address: 50 W BROADWAY 8TH FLOOR
SALT LAKE CITY UT 84101-2006

Officers & Directors

President: STEPHEN RUBENSTEIN
Address: 9665 WILSHIRE BLVD 3RD FL
BEVERLY HILLS CA 90212

Vice Pres.: RAYMOND REILLY
Address: 9665 WILSHIRE BLVD 3RD FL
BEVERLY HILLS CA 90212

Treasurer: MICHAEL CHIODO
Address: 9665 WILSHIRE BLVD 3RD FL
BEVERLY HILLS CA 90212

Secretary: ROBERT RILEY
Address: 9665 WILSHIRE BLVD 3RD FL
BEVERLY HILLS CA 90212

Director: STEPHEN RUBENSTEIN
Address: 9665 WILSHIRE BLVD 3RD FL
BEVERLY HILLS CA 90212

Director: RAYMOND REILLY
Address: 9665 WILSHIRE BLVD 3RD FL
BEVERLY HILLS CA 90212

Director: MICHAEL CHIODO
Address: 9665 WILSHIRE BLVD 3RD FL
BEVERLY HILLS CA 90212

Date Number History Transaction(s)
Description

07/06/1995 ANNUAL REPORT FILED BY COUPON SHOWING NO CHANGES FROM
PREVIOUS YR.

09/01/1994 DELINQUENT FOR FAILURE TO FILE AN ANNUAL REPORT.
MAILED TO: J GARRY MCALLISTER

11/19/1993 CERTIFICATE OF CORRECTION FILED, CORRECTING THE NAME

AMENDED ARTICLES FILED TO CHANGE THE NAME OF THE CORPORATION TO J. B. OXFORD & COMPANY THE CORPORATION WAS FORMERLY KNOWN AS MOUNTAIN FINANCIAL, INC. (BS NAME CHANGE - PRIOR NAME
Other Company Name: MOUNTAIN FINANCIAL, INC.

REGISTERED AGENT CHANGED
REGISTERED AGENT ADDRESS CHANGED

Prev. Company Name: MOUNTAIN FINANCIAL, INC.
Effective Date: 11/04/1993

No.	Name	Title	Corp. ID#	Company Name	State
2	STEPHEN RUBENSTEIN	Dire	171490-CO	PROLYX DATA SYSTEMS, INC.	UT
3	STEPHEN RUBENSTEIN	Dire	147020-CO	JB OXFORD HOLDINGS, INC.	UT
4	STEPHEN RUBENSTEIN	Pres	147020-CO	JB OXFORD HOLDINGS, INC.	UT

- To order Documents, enter LINE NUMBERS (ex. 1,2,3,DOC or 1-4,DOC or ALL,DOC)
- To display Details from Add'l Name Matches, AT NO ADDITIONAL CHARGE, enter LINE NUMBERS (ex. 1,2,3,AM or 1-4,AM or ALL,AM)

Time: 10:17 AM
Requestor: 000

Search Criteria: J B OXFORD AND COMPANY

This data is for informational purposes only. Certification can only be obtained through The Office of The California Secretary of State.

No.	Files	Filing State	Name	City	St
1	4	CA	J B OXFORD & COMPANY	BEVERLY HILLS	CA
2	2	CA	JB OXFORD	BEVERLY HILLS	CA
3	13	CA	JB OXFORD & COMPANY	BEVERLY HILLS	CA
4	2	CA	JB OXFORD & COMPANY, A UTAH CORPORATION	BEVERLY HILLS	CA
5	11	CA	JB OXFORD HOLDINGS, INC.	BEVERLY HILLS	CA

End of search.

D)	Display DETAIL Information	N)	Begin NEXT Search
S)	Continue Displaying SUMMARY Listings	M)	Exit & Go To Previous MENU
BR)	Go to BEGINNING of Summary Listings	A)	Review ACCESS Options

Enter your Selection from the above Menu: 1-5,D

To print, ready your printer and press ENTER,
or type 'c' to print continuously...: C

CA UCC Summary/Detail Search by Debtor Name
Data From: 01/04/65 - 08/20/97

Date: 8/29/97

Time: 10:17 AM

Reference: sitc

Requestor: 000

Search Criteria: DETAIL - J B OXFORD & COMPANY

This data is for informational purposes only. Certification can only be obtained through The Office of The California Secretary of State.

1 Filing Number: 199611460472
Filing Type: UCC1 - Financing Statement
File Date/Time: 04/22/1996 08:00
No. of Images: 1

Debtor: J B OXFORD & COMPANY, 87-0399558
9665 WILSHIRE BLVD 3RD FL
BEVERLY HILLS, CA 90212

Secured Party: BENCHMARK BUSINESS SYSTEMS
5406 BOLSA AVE
HUNTINGTON BEACH, CA 92649

Expire Date: 04/23/2001

History:

2 Filing Number: 0000000000000000
Filing Type: ASSIGNMENT
File Date/Time: 04/22/1996

Secured Party: GREATAMERICA LEASING CORPORATION
2750 1ST AVE NE STE 300
CEDAR RAPIDS, IA 52402

3 Filing Number: 199615860545
Filing Type: UCC1 - Financing Statement
File Date/Time: 06/03/1996 08:00
No. of Images: 1

Debtor: J B OXFORD & COMPANY
9665 WILSHIRE BLVD 3RD FL
BEVERLY HILLS, CA 90212

Secured Party: BENCHMARK BUSINESS
5406 BOLSA AVE
HUNTINGTON BEACH, CA 92649

Expire Date: 06/04/2001

History:

4 Filing Number: 0000000000000000
Filing Type: ASSIGNMENT
File Date/Time: 06/03/1996

Secured Party: GREATAMERICA LEASING CORPORATION
2750 1ST AVE NE STE 300
CEDAR RAPIDS, IA 52402

End of search.

BD)	Go to BEGINNING of DETAIL Listings	DOC)	Order Documents
		N)	Begin NEXT Search
		M)	Exit & Go To Previous MENU
		A)	Review ACCESS Options

Enter your Selection from the above Menu: N

To print, ready your printer and press ENTER,
or type 'c' to print continuously...: C

CA UCC Summary/Detail Search by Debtor Name
Data From: 01/04/65 - 08/20/97

Date: 8/29/97
Reference: sitc
Search Criteria: DETAIL - JB OXFORD

Time: 10:18 AM
Requestor: 000

This data is for informational purposes only. Certification can only be
obtained through The Office of The California Secretary of State.

1 Filing Number: 199514360822
Filing Type: UCC1 - Financing Statement
File Date/Time: 05/19/1995 14:28
No. of Images: 1

Debtor: JB OXFORD
9665 WILSHIRE BLVD, 300
BEVERLY HILLS, CA 90212

Secured Party: BETTER IMAGE LEASING
16592 HALE AVE
IRVINE, CA 92714

Expire Date: 05/19/2000

History:

2 Filing Number: 0000000000000000
Filing Type: ASSIGNMENT
File Date/Time: 05/19/1995

Secured Party: FINOVA CAPITAL CORPORATION
95 N ROUTE 17 S
PARAMUS, NJ 07652

End of search.

BD)	Go to BEGINNING of DETAIL Listings	DOC)	Order Documents
		N)	Begin NEXT Search
		M)	Exit & Go To Previous MENU
		A)	Review ACCESS Options

Enter your Selection from the above Menu: N

To print, ready your printer and press ENTER,
or type 'c' to print continuously...: C

CA UCC Summary/Detail Search by Debtor Name
Data From: 01/04/65 - 08/20/97

Date: 8/29/97
Reference: sitc
Search Criteria: DETAIL - JB OXFORD & COMPANY

Time: 10:18 AM
Requestor: 000

This data is for informational purposes only. Certification can only be
obtained through The Office of The California Secretary of State.

1 Filing Number: 1994158139
Filing Type: UCC1 - Financing Statement
File Date/Time: 08/03/1994 11:20
No. of Images: 3

Debtor: JB OXFORD & COMPANY
9665 WILSHIRE BLVD
BEVERLY HILLS, CA

Secured Party: NEW ENGLAND CAPITAL CORPORATION
POB 755
AVON, CT 06001

Expire Date: 08/03/1999

History:

2 Filing Number: 1995066C0568
Filing Type: ASSIGNMENT
File Date/Time: 03/02/1995 08:00
No. of Images: 1

3 Filing Number: 199529260510
Filing Type: UCC1 - Financing Statement
File Date/Time: 10/17/1995 11:37
No. of Images: 2

Debtor: JB OXFORD & COMPANY
9665 WILSHIRE BLVD 3RD FL
BEVERLY HILLS, CA 90212

Secured Party: NEW ENGLAND CAPITAL CORPORATION, 06-1076141
POB 755
AVON, CT 06001

Expire Date: 10/17/2000

History:

4 Filing Number: 1996086C0472
Filing Type: ASSIGNMENT
File Date/Time: 03/25/1996 08:00
No. of Images: 1

5 Filing Number: 199535560312
Filing Type: UCC1 - Financing Statement
File Date/Time: 12/18/1995 08:00
No. of Images: 1

Debtor: JB OXFORD & COMPANY, 37-0399558
9665 WILSHIRE #300
BEVERLY HILLS, CA 90212

Secured Party: GREATAMERICA LEASING
2750 1ST AVE NE STE 300
CEDAR RAPIDS, IA 52402

Expire Date: 12/18/2000

6 Filing Number: 199610760794
Filing Type: UCC1 - Financing Statement
File Date/Time: 04/15/1996 08:00
No. of Images: 1

Debtor: JB OXFORD & COMPANY, 87-0399558
9665 WILSHIRE BLVD 3RD FL
BEVERLY HILLS, CA 90212

Secured Party: BENCHMARK BUSINESS SYSTEMS
5406 BOLSA AVE

HUNTINGTON BEACH, CA 92649

Expire Date: 04/16/2001

History:

7 Filing Number: 0000000000000000

Filing Type: ASSIGNMENT

File Date/Time: 04/15/1996

Secured Party: GREATAMERICA LEASING
2750 1ST AVE NE STE 300
CEDAR RAPIDS, IA 52402

8 Filing Number: 199615060279

Filing Type: UCC1 - Financing Statement

File Date/Time: 05/24/1996 08:00

No. of Images: 2

Debtor: JB OXFORD & COMPANY
9665 WILSHIRE BLVD 3RD FL
BEVERLY HILLS, CA 90212

Secured Party: AT&T CAPITAL CORPORATION LEASING SERVICES
POB 1810
PLEASANTON, CA 94566

Expire Date: 05/24/2001

9 Filing Number: 199615060299

Filing Type: UCC1 - Financing Statement

File Date/Time: 05/24/1996 08:00

No. of Images: 2

Debtor: JB OXFORD & COMPANY
9665 WILSHIRE BLVD 3RD FL
BEVERLY HILLS, CA 90212

Secured Party: AT&T CAPITAL
4420 ROSEWOOD DR. STE 500
PLEASANTON, CA 94588

Expire Date: 05/24/2001

10 Filing Number: 199615060302

Filing Type: UCC1 - Financing Statement

File Date/Time: 05/24/1996 08:00

No. of Images: 2

Debtor: JB OXFORD & COMPANY
9665 WILSHIRE BLVD 3RD FL
BEVERLY HILLS, CA 90212

Secured Party: AT&T CAPITAL CORPORATION LEASING SERVICES
POB 1810
PLEASANTON, CA 94566

Expire Date: 05/24/2001

11 Filing Number: 199629760660
Filing Type: UCC1 - Financing Statement
File Date/Time: 10/18/1996 08:00
No. of Images: 2

Debtor: JB OXFORD & COMPANY
9665 WILSHIRE BLVD 3RD FL
BEVERLY HILLS, CA 90212

Secured Party: PFO CAPITAL LEASING
30423 CANWOOD ST STE 233
AGOURA HILLS, CA 91301

Expire Date: 10/18/2001

History:

12 Filing Number: 0000000000000000
Filing Type: ASSIGNMENT
File Date/Time: 10/18/1996

Secured Party: STEARNS COUNTY NATIONAL BANK OF ALBANY, 41-0558220
BOX 540
ALBANY, MN 56307

13 Filing Number: 199718460128
Filing Type: UCC1 - Financing Statement
File Date/Time: 06/30/1997 08:00
No. of Images: 1

Debtor: JB OXFORD & COMPANY
9965 WILSHIRE BLVD 3RD FL
BEVERLY HILLS, CA 90212

Secured Party: GREATAMERICA LEASING CORPORATION
POB 609
CEDAR RAPIDS, IA 52402

Expire Date: 07/01/2002

End of search.

BD)	Go to BEGINNING of DETAIL Listings	DOC)	Order Documents
		N)	Begin NEXT Search
		M)	Exit & Go To Previous MENU
		A)	Review ACCESS Options

Enter your Selection from the above Menu: N

To print, ready your printer and press ENTER,
or type 'c' to print continuously...: C

CA UCC Summary/Detail Search by Debtor Name
Data From: 01/04/65 - 08/20/97

Date: 8/29/97

Time: 10:19 AM

Reference: sitc

Requestor: 000

Search Criteria: DETAIL - JB OXFORD & COMPANY, A UTAH CORPORATION

This data is for informational purposes only. Certification can only be obtained through The Office of The California Secretary of State.

1 Filing Number: 1994182958
Filing Type: UCC1 - Financing Statement
File Date/Time: 09/06/1994 08:00
No. of Images: 2

Debtor: JB OXFORD & COMPANY, A UTAH CORPORATION
9665 WILSHIRE BLVD 3 FL
BEVERLY HILLS, CA 90212

Add'l Debtors: RKS FINANCIAL GROUP, INC.
9665 WILSHIRE BLVD 3 FL
BEVERLY HILLS, CA 90212

Secured Party: SEATTLE FIRST NATIONAL BANK
POB 8448
SEATTLE, WA 98124

Expire Date: 09/07/1999

History:

2 Filing Number: 1994305C0581
Filing Type: ASSIGNMENT
File Date/Time: 10/11/1994 08:00
No. of Images: 1

End of search.

BD)	Go to BEGINNING of DETAIL Listings	DOC)	Order Documents
		N)	Begin NEXT Search
		M)	Exit & Go To Previous MENU
		A)	Review ACCESS Options

Enter your Selection from the above Menu: N

To print, ready your printer and press ENTER,
or type 'c' to print continuously...: C

CA UCC Summary/Detail Search by Debtor Name
Data From: 01/04/65 - 08/20/97

Date: 8/29/97

Time: 10:19 AM

Reference: sitc

Requestor: 000

Search Criteria: DETAIL - JB OXFORD HOLDINGS, INC.

This data is for informational purposes only. Certification can only be obtained through The Office of The California Secretary of State.

1 Filing Number: 199702760153
Filing Type: UCC1 - Financing Statement
File Date/Time: 01/23/1997 08:00
No. of Images: 2

Debtor: JB OXFORD HOLDINGS, INC.
9665 WILSHIRE BLVD STE 300
BEVERLY HILLS, CA 90212

Secured Party: NORWEST EQUIPMENT FINANCE, INC.
733 MARQUETTE AVE #300
MINNEAPOLIS, MN 55479

Expire Date: 01/23/2002

History:

2 Filing Number: 1997099C0718
Filing Type: ASSIGNMENT
File Date/Time: 04/08/1997 11:35

3 Filing Number: 199709860591
Filing Type: UCC1 - Financing Statement
File Date/Time: 03/31/1997 08:00

Debtor: JB OXFORD HOLDINGS, INC.
9665 WILSHIRE BLVD #300
BEVERLY HILLS, CA 90212

Secured Party: NEC AMERICA, INC.
365 W PASSAIC ST
ROCHELLE PARK, NJ 07662

Expire Date: 04/01/2002

4 Filing Number: 199709760056
Filing Type: UCC1 - Financing Statement
File Date/Time: 04/04/1997 09:20

Debtor: JB OXFORD HOLDINGS, INC.
9665 WILSHIRE BLVD., STE 300
BEVERLY HILLS, CA 90212

Secured Party: NORWEST EQUIPMENT FINANCE, INC.
733 MARQUETTE AVE #300
MINNEAPOLIS, MN 55479

Expire Date: 04/04/2002

History:

5 Filing Number: 1997223C0329
Filing Type: ASSIGNMENT
File Date/Time: 08/07/1997 11:29

6 Filing Number: 199709760060
Filing Type: UCC1 - Financing Statement
File Date/Time: 04/04/1997 09:20

Debtor: JB OXFORD HOLDINGS, INC.
9665 WILSHIRE BLVD., STE 300
BEVERLY HILLS, CA 90212

Secured Party: NORWEST EQUIPMENT FINANCE, INC.
733 MARQUETTE AVE #300
MINNEAPOLIS, MN 55479

Expire Date: 04/04/2002

History:

7 Filing Number: 1997223C0323
Filing Type: ASSIGNMENT
File Date/Time: 08/07/1997 11:29

8 Filing Number: 199713260205
Filing Type: UCC1 - Financing Statement
File Date/Time: 05/09/1997 15:29
No. of Images: 4

Debtor: JB OXFORD HOLDINGS, INC.
9665 WILSHIRE BLVD STE 300
BEVERLY HILLS, CA 90212

Secured Party: BRENTWOOD CREDIT CORPORATION
1620 26TH ST STE 290-S
SANTA MONICA, CA 90404

Expire Date: 05/09/2002

9 Filing Number: 199717461023
Filing Type: UCC1 - Financing Statement
File Date/Time: 06/23/1997 12:43
No. of Images: 4

Debtor: JB OXFORD HOLDINGS, INC.
9665 WILSHIRE BLVD STE 300
BEVERLY HILLS, CA 90212

Secured Party: BRENTWOOD CREDIT CORPORATION
1620 26TH ST #290-S
SANTA MONICA, CA 90404

Expire Date: 06/24/2002

10 Filing Number: 199717461100
Filing Type: UCC1 - Financing Statement
File Date/Time: 06/23/1997 12:43
No. of Images: 2

Debtor: JB OXFORD HOLDINGS, INC.
9665 WILSHIRE BLVD STE 300
BEVERLY HILLS, CA 90212

Secured Party: BRENTWOOD CREDIT CORPORATION
1620 26TH ST #290-S
SANTA MONICA, CA 90404

Expire Date: 06/24/2002

11 Filing Number: 199718860606
Filing Type: UCC1 - Financing Statement
File Date/Time: 07/02/1997 08:00

Debtor: JB OXFORD HOLDINGS, INC., 87-0399558
9666 WILSHIRE BLVD.
BEVERLY HILLS, CA 90212

Secured Party: R.C.C. FINANCE GROUP LTD., 13-3053144
140 SYLVAN AVE
ENGLEWOOD CLIFFS, NJ 07632

Expire Date: 07/02/2002

End of search.

BD)	Go to BEGINNING of DETAIL Listings	DOC)	Order Documents
		N)	Begin NEXT Search
		M)	Exit & Go To Previous MENU
		A)	Review ACCESS Options

Enter your Selection from the above Menu: N

Do you wish to run the next search that you selected (Y/n)?

To print, ready your printer and press ENTER,
or type 'c' to print continuously...: C

MA UCC Summary/Detail Search by Debtor Name
Data From: 01/02/90 - 08/11/97

Date: 8/29/97

Time: 10:19 AM

Reference: sitc

Requestor: 000

Search Criteria: J B OXFORD AND COMPANY

This data is for informational purposes only. Certification can only be
obtained through The Office of The Massachusetts Secretary of State.

No.	Files	Filing State	Name	City	St
1	3	MA	J. B. OXFORD HOLDINGS, INC.	BEVERLY HILLS	CA

End of search.

D)	Display DETAIL Information	N)	Begin NEXT Search
S)	Continue Displaying SUMMARY Listings	M)	Exit & Go To Previous MENU
BR)	Go to BEGINNING of Summary Listings	A)	Review ACCESS Options

Enter your Selection from the above Menu: 1,D

To print, ready your printer and press ENTER,
or type 'c' to print continuously...: C

MA UCC Summary/Detail Search by Debtor Name
Data From: 01/02/90 - 08/11/97

Date: 8/29/97

Time: 10:20 AM

Reference: sitc

Requestor: 000

Search Criteria: DETAIL - J. B. OXFORD HOLDINGS, INC.

This data is for informational purposes only. Certification can only be
obtained through The Office of The Massachusetts Secretary of State.

1 Filing Number: 458948

Filing Type: UCC1 - Financing Statement

File Date/Time: 04/04/1997 01:21

Debtor: J. B. OXFORD HOLDINGS, INC.
9665 WILSHIRE BLVD., #300
BEVERLY HILLS, CA 90212

Secured Party: N. E. C. AMERICA, INC.
365 WEST PASSAIC ST.
ROCHELLE PARK, NJ 07662

2 Filing Number: 462639

Filing Type: UCC1 - Financing Statement

File Date/Time: 04/18/1997 04:37

Debtor: J. B. OXFORD HOLDINGS, INC.
9665 WILSHIRE BLVD., SUITE 300
BEVERLY HILLS, CA 90212

Secured Party: BRENTWOOD CREDIT, CORPORATION
1620 26TH ST., SUITE 290-S
SANTA MONICA, CA 90404

NORWEST EQUIPMENT FINANCE
733 MARQUETTE AVE., #300
MINNEAPOLIS, MN 55479

3 Filing Number: 478144

Filing Type: UCC1 - Financing Statement

File Date/Time: 06/23/1997 12:27

Debtor: J. B. OXFORD HOLDINGS, INC.
9665 WILSHIRE BLVD., SUITE #300
BEVERLY HILLS, CA 90212

Secured Party: BRENTWOOD CREDIT, CORPORATION
1620 26TH ST., SUITE #290-S
SANTA MONICA, CA 90404

LYON CREDIT, CORPORATION
400 PERIMETER CENTER TERRACE #155
ATLANTA, GA 30346

End of search.

BD) Go to BEGINNING of DETAIL Listings DOC) Order Documents
N) Begin NEXT Search
M) Exit & Go To Previous MENU
A) Review ACCESS Options

Enter your Selection from the above Menu: N

Do you wish to run the next search that you selected (Y/n)?

To print, ready your printer and press ENTER,
or type 'c' to print continuously...: C

NY UCC Summary/Detail Search by Debtor Name
Data From: 02/01/81 - 07/24/97

Date: 8/29/97 Time: 10:20 AM
Reference: sitc Requestor: 000
Search Criteria: J B OXFORD AND COMPANY

This data is for informational purposes only. Certification can only be
obtained through The Office of The New York Secretary of State.

No.	Files	Filing State	Name	City	St
1	8	NY	JB OXFORD HOLDINGS INC	BEVERLY HILLS	CA

End of search.

D) Display DETAIL Information N) Begin NEXT Search
S) Continue Displaying SUMMARY Listings M) Exit & Go To Previous MENU
BR) Go to BEGINNING of Summary Listings A) Review ACCESS Options

Enter your Selection from the above Menu: 1,D

To print, ready your printer and press ENTER,
or type 'c' to print continuously...: C

NY UCC Summary/Detail Search by Debtor Name
Data From: 02/01/81 - 07/24/97

Date: 8/29/97 Time: 10:20 AM
Reference: sitc Requestor: 000
Search Criteria: DETAIL - JB OXFORD HOLDINGS INC

This data is for informational purposes only. Certification can only be
obtained through The Office of The New York Secretary of State.

1 Filing Number: 017559
Filing Type: UCC1 - Financing Statement
File Date/Time: 01/28/1997
No. of Images: 2

Debtor: JB OXFORD HOLDINGS INC
9665 WILSHIRE BLVD SUITE 300

BEVERLY HILLS, CA 90212

Secured Party: BRENTWOOD CREDIT CORP
1620 26TH STREET SUITE 290-S
SANTA MONICA, CA 90404

Collateral: LEASES
SPECIFIC EQUIPMENT

Microfilm: 5497

History:

2 Filing Number: 069127
Filing Type: ASSIGNMENT
File Date/Time: 04/07/1997
No. of Images: 2

Debtor: JB OXFORD HOLDINGS INC
9665 WILSHIRE BLVD 300
BEVERLY HILLS, CA 90212

Secured Party: NORWEST EQUIPMENT FINANCE INC
733 MARQUETTE AVENUE 300
MINNEAPOLIS, MN 55479

Microfilm: 5545

3 Filing Number: 063093
Filing Type: UCC1 - Financing Statement
File Date/Time: 03/28/1997
No. of Images: 1

Debtor: JB OXFORD HOLDINGS INC
9665 WILSHIRE BLVD 300
BEVERLY HILLS, CA 90212

Secured Party: NEC AMERICA INC
365 WEST PASSAIC STREET
ROCHELLE PARK, NJ 07662

Collateral: SPECIFIC EQUIPMENT
PROCEEDS

Microfilm: 5539

4 Filing Number: 068713
Filing Type: UCC1 - Financing Statement
File Date/Time: 04/07/1997
No. of Images: 3

Debtor: JB OXFORD HOLDINGS INC
9665 WILSHIRE BLVD SUITE 300
BEVERLY HILLS, CA 90212

Secured Party: BRENTWOOD CREDIT CORP
1620 26TH STREET SUITE 290-S
SANTA MONICA, CA 90404

Collateral: SPECIFIC EQUIPMENT
Microfilm: 5545

History:

5 Filing Number: 070236
Filing Type: ASSIGNMENT
File Date/Time: 04/08/1997
No. of Images: 7

Debtor: JB OXFORD HOLDINGS INC
9665 WILSHIRE BLVD 300
BEVERLY HILLS, CA 90212

Secured Party: NORWEST EQUIPMENT FINANCE INC
733 MARQUETTE AVENUE 300
MINNEAPOLIS, MN 55479

Microfilm: 5546

6 Filing Number: 074482
Filing Type: UCC1 - Financing Statement
File Date/Time: 04/14/1997
No. of Images: 5

Debtor: JB OXFORD HOLDINGS INC
9665 WILSHIRE BLVD SUITE 300
BEVERLY HILLS, CA 90212

Secured Party: BRENTWOOD CREDIT CORP
1620 26TH STREET SUITE 290-S
SANTA MONICA, CA 90404

Collateral: LEASES
SPECIFIC EQUIPMENT

Microfilm: 5550

7 Filing Number: 097659
Filing Type: UCC1 - Financing Statement
File Date/Time: 05/12/1997
No. of Images: 4

Debtor: JB OXFORD HOLDINGS INC
9665 WILSHIRE BLVD SUITE 300
BEVERLY HILLS, CA 90212

Secured Party: BRENTWOOD CREDIT CORP
1620 26TH STREET SUITE 290-S
SANTA MONICA, CA 90404

Collateral: LEASES
SPECIFIC EQUIPMENT

Microfilm: 5570

8 Filing Number: 128689
Filing Type: UCC1 - Financing Statement
File Date/Time: 06/23/1997
No. of Images: 2

Debtor: JB OXFORD HOLDINGS INC
9665 WILSHIRE BLVD SUITE 300

Time: 10:21 AM
Requestor: 000

Search Criteria: DETAIL - JB OXFORD HOLDINGS, INC.

This data is for informational purposes only. Certification can only be obtained through The Office of The Texas Secretary of State.

1 Filing Number: 9700064847
Filing Type: UCC1 - Financing Statement
File Date/Time: 04/04/1997

Debtor: JB OXFORD HOLDINGS, INC.
9665 WILSHIRE BLVD STE 300
BEVERLY HILLS, CA 90212

Secured Party: NORWEST EQUIPMENT FINANCE
733 MARQUETTE AVE #300
MINNEAPOLIS, MN 55479

Expire Date: 04/04/2002

2 Filing Number: 9700119298
Filing Type: UCC1 - Financing Statement
File Date/Time: 06/23/1997

Debtor: JB OXFORD HOLDINGS, INC.
9665 WILSHIRE BLVD STE 300
BEVERLY HILLS, CA 90212

Secured Party: LYON CREDIT CORPORATION
400 PERIMETER CENTER TERRACE STE 155
ATLANTA, GA 30346

Expire Date: 06/23/2002

End of search.

BD)	Go to BEGINNING of DETAIL Listings	DOC)	Order Documents
		N)	Begin NEXT Search
		M)	Exit & Go To Previous MENU
		A)	Review ACCESS Options

Enter your Selection from the above Menu: N

Do you wish to run the next search that you selected (Y/n)?

To print, ready your printer and press ENTER,
or type 'c' to print continuously...: C

CA Bankruptcies, Liens, Judgments & Notice of Default
Data From: 00/00/00 - 00/00/00

Date: 8/29/97
Reference: sitc
Search Criteria: J B OXFORD AND COMPA

Time: 10:21 AM
Requestor: 000

Files State/Type	Party Name	City	St
------------------	------------	------	----

1	1	CA	JG	DEBT	JB OXFORD & CO	BEVERLY HILLS	CA
2	1	CA	TL	DEBT	JB OXFORD & CO ADVERTISING I	LOS ANGELES	CA

End of search.

D)	Display DETAIL Information	N)	Begin NEXT Search
BR)	Go to BEGINNING of Summary Listings	M)	Exit & Go To Previous MENU
		A)	Review ACCESS Options

Enter your Selection from the above Menu: 1,2,D

To print, ready your printer and press ENTER,
or type 'c' to print continuously...: C

CA Bankruptcies, Liens, Judgments & Notice of Default
Data From: 00/00/00 - 00/00/00

Date: 8/29/97	Time: 10:22 AM
Reference: sitc	Requestor: 000
Search Criteria: J B OXFORD AND COMPA	

Item Number: 1
Filing Number: 175232
Document Type: SMALL CLAIMS
Judgment Date: 04/28/95
Amount: \$5,000
Defendant: JB OXFORD & CO
9665 WILSHIRE BV, BEVERLY HILLS, CA 90212
Court/County: LOS ANGELES W MU, LOS ANGELES, CA
Satisfaction Date: 06/05/95
Plaintiff: FILAR INC

Item Number: 2
Filing Number: 952030195
Document Type: STATE TAX
Filing Date: 12/21/95
Amount: \$444
Debtor: JB OXFORD & CO ADVERTISING INC
818 W 7TH ST, LOS ANGELES, CA 90017
Court/County: LOS ANGELES REC, LOS ANGELES, CA
Certificate: 95319100176
Tax Authority: FRANCHISE TAX BOARD

End of search.

Press ENTER to continue or enter "R" to Resend:

D)	Display DETAIL Information	N)	Begin NEXT Search
BR)	Go to BEGINNING of Summary Listings	M)	Exit & Go To Previous MENU
		A)	Review ACCESS Options

Enter your Selection from the above Menu: N

Do you wish to run the next search that you selected (Y/n)?

To print, ready your printer and press ENTER,
or type 'c' to print continuously....: C

CA Los Angeles County Superior Court Civil
Data From: 01/01/79 - 08/08/97

Date: 8/29/97
Reference: sitc
Search Criteria: J B OXFORD AND COMPANY

Time: 10:22 AM
Requestor: 000

	PARTY NAME	CASE NUMBER	FILE DATE	COURT LOCATION
1	PLTF J B OXFORDCO	BC105414	05/23/1994	LOS ANGELES
2	PLTF J B OXFORDCO INC	BC115777	11/04/1994	LOS ANGELES

End of search.

D)	Display DETAIL Information	N)	Begin NEXT Search
BR)	Go to BEGINNING of Summary Listings	M)	Exit & Go To Previous MENU
		A)	Review ACCESS Options

Enter your Selection from the above Menu: 1,2,D

To print, ready your printer and press ENTER,
or type 'c' to print continuously....: C

CA Los Angeles County Superior Court Civil
Data From: 01/01/79 - 08/08/97

Date: 8/29/97
Reference: sitc
Search Criteria: J B OXFORD AND COMPANY

Time: 10:22 AM
Requestor: 000

1 Case Number:	BC105414
File Date:	05/23/1994
Location:	CENTRAL (LOS ANGELES)
Case Type:	CIVIL
Action:	INJUNCTIVE RELIEF
Defendant:	E TRADE INC HELDT WAYNE HERZOG HEINE GEDULD INC PORTER WILLIAM
Plaintiff:	* J B OXFORD&CO

2 Case Number:	BC115777
File Date:	11/04/1994
Location:	CENTRAL (LOS ANGELES)
Case Type:	CIVIL
Action:	DECLARATORY RELIEF
Defendant:	BANK AMER

Plaintiff: * J B OXFORD&CO INC

End of search.

Press ENTER to continue or enter "R" to Resend:

D)	Display DETAIL Information	N)	Begin NEXT Search
BR)	Go to BEGINNING of Summary Listings	M)	Exit & Go To Previous MENU
		A)	Review ACCESS Options

Enter your Selection from the above Menu: N

Do you wish to run the next search that you selected (Y/n)?

To print, ready your printer and press ENTER,
or type 'c' to print continuously...: C

CA Los Angeles County All Municipal Court Civil
Data From: 00/00/00 - 08/13/97

Date: 8/29/97	Time: 10:23 AM
Reference: sitc	Requestor: 000
Search Criteria: J B OXFORD AND COMPANY	

	PARTY NAME	CASE NUMBER	FILE DATE	COURT LOCATION
1	DEFE JB OXFORD CO	175232	02/16/1995	WEST LOS ANGELES

End of search.

D)	Display DETAIL Information	N)	Begin NEXT Search
BR)	Go to BEGINNING of Summary Listings	M)	Exit & Go To Previous MENU
		A)	Review ACCESS Options

Enter your Selection from the above Menu: 1,D

To print, ready your printer and press ENTER,
or type 'c' to print continuously...: C

CA Los Angeles County All Municipal Court Civil
Data From: 00/00/00 - 08/13/97

Date: 8/29/97	Time: 10:23 AM
Reference: sitc	Requestor: 000
Search Criteria: J B OXFORD AND COMPANY	

1 Case Number: 175232
File Date: 02/16/1995
Location: WEST LOS ANGELES
Case Type: SMALL CLAIMS
Case Status: CONTESTED
Action: OTHER

Disposition: DISPOSED
Asking Amount: \$5,000

Defendant: * JB OXFORD & CO
Address: 9665 WILSHIRE BLVD
BEVERLY HILLS, CA 90212

Defendant: KALLAM, CHANDRASEKHAR R MR
Address: 8306 WILSHIRE BLVD STE 830
BEVERLY HILLS, CA 90211

Plaintiff: FILAR INCORPORATED
Address: 1902 S LA BREA AVENUE
LOS ANGELES, CA 90016
Plaintiff: J&L FUNDING COMPANY (DBA)

End of search.

Press ENTER to continue or enter "R" to Resend:

D)	Display DETAIL Information	N)	Begin NEXT Search
BR)	Go to BEGINNING of Summary Listings	M)	Exit & Go To Previous MENU
		A)	Review ACCESS Options

Enter your Selection from the above Menu: N

Do you wish to run the next search that you selected (Y/n)?

To print, ready your printer and press ENTER,
or type 'c' to print continuously...: C

CA Los Angeles County General Index
Data From: 04/07/85 - 06/30/97

Date: 8/29/97
Reference: sitc
Search Criteria: J B OXFORD AND COMPANY

Time: 10:23 AM
Requestor: 000

No.	Files	Name	Party	Description
1	1	JB OXFORD AND COMPANY	GRANTOR	NOTICE
2	1	JB OXFORD AND COMPANY ADVERTISING INC	GRANTOR	TAX LIEN

End of search.

D)	Display DETAIL Information	N)	Begin NEXT Search
BR)	Go to BEGINNING of Summary Listings	M)	Exit & Go To Previous MENU
		A)	Review ACCESS Options

Enter your Selection from the above Menu: 1,2,D

To print, ready your printer and press ENTER,

or type 'c' to print continuously...: C

CA Los Angeles County General Index
Data From: 04/07/85 - 06/30/97

Date: 8/29/97
Reference: sitc
Search Criteria: J B OXFORD AND COMPANY

Time: 10:23 AM
Requestor: 000

1	Title: NOTICE	Instr #: 058702000	Date: 04/18/97
	Number of pages: 2		
	Grantor(s):		
	JB OXFORD AND COMPANY		
	UNIVERSAL SHOPPING PLAZA		
2	Title: TAX LIEN	Instr #: 203019500	Date: 12/21/95
	Number of pages: 1		
	Grantor(s):		
	JB OXFORD AND COMPANY ADVERTISING INC		
	Grantee(s):		
	CALIFORNIA STATE FRANCHISE TAX		

End of search.

Press ENTER to continue or enter "R" to Resend:

D)	Display DETAIL Information	N)	Begin NEXT Search
BR)	Go to BEGINNING of Summary Listings	M)	Exit & Go To Previous MENU
		A)	Review ACCESS Options

Enter your Selection from the above Menu: N

Do you wish to run the next search that you selected (Y/n)?

To print, ready your printer and press ENTER,
or type 'c' to print continuously...: C

TX Franchise Tax Summary Search
Data From: 00/00/00 - 07/30/97

Date: 8/29/97
Reference: sitc
Search Criteria: J B OXFORD AND COMPANY

Time: 10:23 AM
Requestor: 000

No.	Taxpayer Name	Corp #	City	St
1	JB OXFORD & COMPANY	00101847	BEVERLY HILLS	CA

End of search.

D)	Display DETAIL Information	M)	Exit & Go To Previous MENU
BR)	Go to BEGINNING of Summary Listings	A)	Review ACCESS Options

Enter your Selection from the above Menu: 1,D

To print, ready your printer and press ENTER,
or type 'c' to print continuously....: C

TX Franchise Tax Summary Search
Data From: 00/00/00 - 07/30/97

Date: 8/29/97

Time: 10:23 AM

Reference: sitc

Requestor: 000

Search Criteria: J B OXFORD AND COMPANY

1 Corp Name: JB OXFORD & COMPANY
Address: 9665 WILSHIRE BLVD FL 3
BEVERLY HILLS, CA 90212

Corp Number: 00101847
Orig Filing: 09/29/1994
Corp Type: FOREIGN CORPORATION
SIC Code: 6211
County: UNKNOWN
Tax ID: 18703995581

Good Standing Date: 11/17/97

TX Comptrollers

Franchise Tax Standing: GOOD STANDING BUT NOT FOR DISSOLUTION

End of search.

Press ENTER to continue or enter "R" to Resend:

D)	Display DETAIL Information	M)	Exit & Go To Previous MENU
BR)	Go to BEGINNING of Summary Listings	A)	Review ACCESS Options

Enter your Selection from the above Menu:



Office of the Legal Attaché
c/o American Consulate General
Siesmayerstrasse 21
60323 Frankfurt am Main 1
International Telephone: 49-69-7535-3780
International FAX: 49-69-560-2880

FAX COVER SHEET

To: FBI L.A., ATTN: SSA [REDACTED]

Date: August 29, 1997

b6
b7c

Fax #: 001-310-996-3850

Pages: 1
(including this cover sheet)

From: DLAT [REDACTED]

Subject: IRVING KOTT, dba J.B. OXFORD

COMMENTS: RE: Your fax dated 8/28/97, received at Frankfurt Sub-office 8/29/97.

b7D

*for lead
8/29/97
mg*

241 MUG 02 FAX

cover lead

*6 (RNC
8/29/97)*

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 22 1997	
FBI - LOS ANGELES	

176C-2A-10898-24

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 08/25/1997

To: Laboratory

Attn: ACTING ADIC, DON THOMPSON

From: Los Angeles

b7E

Contact: SA [REDACTED]

b6
b7C

Approved By: [REDACTED]

Drafted By: [REDACTED] N:mdl

Case ID #: 196C-LA-208098 (Pending)

Title: IRVING KOTT;
dba J. B. OXFORD; ET. AL.;
MF; MONEY LAUNDERING;
SECURITIES FRAUD

Synopsis: Los Angeles CART appreciates FBIHQ CART assisting during 8/19/97 search.

Details: Los Angeles appreciates lab division providing CART Computer Specialists (CSs) [REDACTED]

b6
b7C

[REDACTED] to assist the Los Angeles office in the execution of a search warrant [REDACTED]

OTHER Sealed Court Order

[REDACTED] Los Angeles CART became aware of this matter only 3 business days before the search and thus, had only a short time to assemble a CART search team. Unit Chief [REDACTED] immediately responded to our need. His follow up phone calls to Los Angeles and other offices to ensure we had sufficient resources merits commendation.

b6
b7C

CART played a significant part in this search. Their mission was to identify and secure the information identified in the warrant while ensuring minimum disruption to business operations both during, and after the search. The operational plan specified [REDACTED]

OTHER Sealed Court Order

[REDACTED] This could not have been accomplished by Los Angeles's CART members without the assistance of CSs [REDACTED] from FBIHQ and a CART field examiner from Seattle.

b6
b7C

Please express our appreciation to UC [REDACTED] for his responding to our need, as well as, to CSs [REDACTED] whose skills, knowledge, and willing attitudes greatly assisted our mission.

♦♦

SEARCHED

INDEXED

SERIALIZED

FILED

196C-LA-208098-27

196C-LA-305098-29

SEARCHED	INDEXED
SERIALIZED	FILED
SEP - 2 1997	
FBI - LOS ANGELES	

ms

(12/31/1995)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 09/04/1997

To: Laboratory

Attn: CS [REDACTED]
CART Unit
JEH Room 4315

b6
b7C

From: Los Angeles

b7E

Contact: SA [REDACTED]

Approved By: [REDACTED] *291*

Drafted By: [REDACTED] jnl

Case ID #: 196A-LA-208098-30 (Pending)

Title: IRVING KOTT;
dba J. B. OXFORD; ET. AL.;
MF; MONEY LAUNDERING;
SECURITIES FRAUD

OTHER Sealed Court Order

Synopsis: Copy contents of enclosed [REDACTED]
[REDACTED] and provide results to Los Angeles.

Enclosures: Enclosed for Laboratory Division, CART Unit [REDACTED]
[REDACTED]
[REDACTED]

Details: CS [REDACTED] FBIHQ, CART Unit, assisted Los
Angeles CART [REDACTED]

Los Angeles CART requests FBIHQ CART Unit, CS [REDACTED]
[REDACTED]
[REDACTED]

[REDACTED] Los Angeles will then be able to perform
additional examination and analysis to meet the needs of the
investigation.

196A-LA-208098-30

SEARCHED
INDEXED
SERIALIZED
FILED

SEARCHED	INDEXED
SERIALIZED	FILED
SEP - 4 1997	
FBI - LOS ANGELES	

To: Laboratory From: Los Angeles
Re: 196A-LA-208098, 09/04/1997

LEAD (s):

Set Lead 1:

LABORATORY

OTHER Sealed Court Order

AT WASHINGTON, DC

FBIHQ CART will [REDACTED]

[REDACTED]
[REDACTED] Los Angeles CART, attn SA [REDACTED]
[REDACTED]

♦♦

(12/31/1995)

FEDERAL BUREAU OF INVESTIGATION

4.5
PT

Precedence: ROUTINE

Date: 09/08/1997

To: LOS ANGELES

Attn: TABATABAIAAN

From: Savannah ITC

Investigative Information Services Center (IISC)

Contact: [REDACTED]

b6
b7C

Approved By: [REDACTED]

Drafted By: [REDACTED]

ab

Case ID #: 196C-LA-208098 (Pending)

Title: [REDACTED]

TURRET CONSULTANTS INC.
REQUEST 102395-102396

Synopsis: To report results of request submitted to Savannah ITC.

Details: [REDACTED] PRINTOUTS HAVE BEEN SENT TO THE
REQUESTER AND WILL BE MAINTAINED AS PERMANENT FILE MATERIAL IN
THE OO CASE FILE.

b6
b7C

Two copies of a reply form are being submitted with
database printouts. It is requested that you record the
accomplishments of this request on these forms, return one copy
to the SITC, and maintain one copy as a serial in your case file.

Results of inquiries are set forth below.

Records show subject's address is 9966 Beverly Grove
Dr., Beverly Hills, CA 90210. Records further show this property
is owned by [REDACTED] mailing address [REDACTED]
[REDACTED]

b6
b7C

No record was located for captioned company. Records
requested that are not addressed herein were not found.
Printouts generated as a result of this request are enclosed with
the hard copy of this memo for your perusal.

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 1 1997	
FBI-LOS ANGELES	

196C-LA-208098-31

To: LOS ANGELES From: Savannah ITC
Re: 196C-LA-208098, 09/08/1997

LEAD (s):

Set Lead 1:

LOS ANGELES

AT LOS ANGELES, CA

Complete and return Reply Form to Savannah ITC.

THIS IS PERMANENT FILE MATERIAL
AND IS TO BE MAINTAINED IN
THE OO CASE FILE.

♦♦

15:46
TID=M4WA

PQH API/HIT DATA

090897

T2MR9206
T2PR9211

NAME	DOB	DATE	TIME	AGN	RSLT	TYP	REF	TERM/ LANE	API
		081697	0859	INS	FREQ	AIR		LG07	N
		DOC:				TYP:	INSP:	574206359	

TECS RECORD ID :

AIRLINE CODE :
FLIGHT NUMBER :

(PF3=MAIN MENU)

(PF4=PREV MENU)

ML0114548.DQ.DCFBIWAX4.CA.TXT NAM

SEX/M

b6
b7C

ML0114548

DCFBIWAX4

MESSAGE AT 1550 ON 9/ 8/97 ACCEPTED

DR.CADLN0000

12:50 09/08/97 12157

12:50 09/08/97 00189 DCFBIWAX4

TXT

MATCHED ON:*L/N*F/N* BB

NAME

ADDR

SEX/F. DOB HGT WGT HAI EYE

OLN/B4917947. EXP 06/08/02

RSTR:NONE

STATUS:VALID

RBM 1*

END

1ST RECORD of Level 1 printed in FULL format.

*** THIS DATA IS FOR INFORMATION PURPOSES ONLY ***

PROPERTY RECORD FOR LOS ANGELES COUNTY, CA

ESTIMATED ROLL CERTIFICATION DATE JULY 1, 1996

Owner

Mailing Address:

Property Address:

b6
b7C

***** SALES INFORMATION *****

Recorded Date: 09/28/1987

Document Type: INTERSPOUSAL TRANS

***** ASSESSMENT INFORMATION *****

Assessor's Parcel Number:

Legal Description:

Brief Description: 3.12 MORE OR LESS ACS BEING (EX OF STS) LOT COM AT NE COR OF LOT 20 TR NO 6073 TH S 25 50'20" E 75 FT TH W ON N LINE (MORE)

Land Use: SINGLE FAMILY RESIDENTIAL; Zoning: LARE15-1-H*

Assessment Year: 1996

Assessed Land Value: \$ 160,859

Assessed Improvement Value: \$ 895,158

Total Assessed Value: \$ 1,056,017

***** TAX INFORMATION *****

Tax Rate Code: 00067

Exemption: HOMEOWNER

Insurance Classification: WOOD OR WOOD AND STEEL FRAMES.

***** PROPERTY CHARACTERISTICS *****

Year Built:	1942	No. of Buildings:	1
Stories:		Style:	
Units:	1	Air Conditioning:	Central
Bedrooms:	4	Heating:	Central
Baths:	5.00	Construction:	
Partial Baths:		Basement:	
Total Rooms:		Exterior Walls:	
Fireplace:		Foundation:	

LOS ANGELES COUNTY, CA 9966 BEVERLY GROVE DR, LOS ANGELES, CA 90210

Garage Type:

Roof:

Garage Size:

Elevator:

Pool/Spa: Pool

Lot Size:

Building Area: 7477

TAPE PRODUCED BY COUNTY: 8/1996

Print

Agency

Sign

b6
b7C

FBI

FB 1

FB1

FB1

~~FB1~~

FBI

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196C-LA-20809P-33

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 5	
FBI - LOS ANGELES	

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1347683-0

Total Deleted Page(s) = 161

Page 4 ~ OTHER - Per Sealing Order;
Page 5 ~ OTHER - Per Sealing Order;
Page 7 ~ OTHER - Per Sealing Order;
Page 8 ~ OTHER - Per Sealing Order;
Page 9 ~ OTHER - Per Sealing Order;
Page 10 ~ OTHER - Per Sealing Order;
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Page 82 ~ OTHER - Per Sealing Order;
Page 83 ~ OTHER - Per Sealing Order;
Page 84 ~ OTHER - Per Sealing Order;
Page 114 ~ Duplicate;
Page 115 ~ Duplicate;
Page 124 ~ Referral/Direct;
Page 125 ~ Referral/Direct;
Page 126 ~ Referral/Direct;
Page 127 ~ Referral/Direct;
Page 128 ~ Referral/Direct;
Page 129 ~ Referral/Direct;
Page 130 ~ Referral/Direct;
Page 131 ~ Referral/Direct;
Page 132 ~ Referral/Direct;
Page 133 ~ Referral/Direct;
Page 134 ~ Referral/Direct;
Page 135 ~ Referral/Direct;
Page 136 ~ Referral/Direct;
Page 177 ~ OTHER - Per Sealing Order;
Page 178 ~ OTHER - Per Sealing Order;
Page 184 ~ OTHER - Per Sealing Order;
Page 190 ~ OTHER - Per Sealing Order;
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MIS

(12/31/1995)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 08/28/1997

To: Legat Bonn
Frankfurt Suboffice

From: Los Angeles
Squad WCC-4
Contact: [REDACTED]

Approved By: [REDACTED]

Drafted By: [REDACTED]

Case ID #: 196C-LA-208098 (Pending)

Title: IRVING KOTT;
dba J.B. OXFORD;
et al;
MF; Money Laundering;
SECURITIES FRAUD;

Synopsis: Request Frankfurt to check for outstanding warrant for Irving Kott.

Details: Irving Israel Kott is a subject in the captioned case. Los Angeles has heard a rumor that there is an outstanding arrest warrant for Kott in Germany. Los Angeles requests a confirmation on whether an arrest warrant exists in Germany for Kott.

Kott is described as follows:

Name: Irving Israel Kott
Citizenship: Canadian
Address: 3875 De Ramezay, Montreal, PQ
DOB: 10/12/1930

♦♦

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2880

196C-LA-208098-46

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FBI FACSIMILE COVERSHEET

PRECEDENCE

- ☒ Immediate
☐ Priority
☐ Routine

CLASSIFICATION

- ☐ Top Secret
☐ Secret
☐ Confidential
☐ Sensitive
☒ Unclassified

Time Transmitted: 10:30 a.m. PSTSender's Initials: PAHNumber of Pages: 2

To: LEGAT BONN/FRANKFURT SUBOFFICE
 (Name of Office)

Date: 8/28/97Facsimile Number: 011-49-69-560-2880

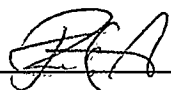
Attn: ALAT
 (Name Room Telephone Number)

From: LOS ANGELES (196C-LA-208098)
 (Name Of Office)

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b7cSubject: IRVING KOTTDBA J.B. OXFORDET AL: MAIL FRAUD: MONEY LAUNDERING: SECURITY FRAUDSpecial Handling Instructions: PLEASE HANDLE EXPEDITIOUSLY AND RESPOND BY FAX

TO (310) 996-3850 ^{INDICATING}
 ^ HAND CARRY TO SSA

Originator's Name: SSA Telephone:

Originator's Facsimile Number: (310) 996-3850Approved: 

196C-LA-205098-687

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—
JHMS
RL



U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

11000 Wilshire Boulevard #1700
Los Angeles, CA 90024

September 3, 1997

[redacted] Examiner
NASD Regulation
33 Whitehall Street
New York, NY 10004

Dear [redacted]

Per our telephone conversation on September 3, 1997, please provide information that you gathered during an examination of Greenway Capital during the years 1995 and 1996 regarding IRVING KOTT, ORIE FINANCE, INC., EBC TRUST and affiliated companies. This information to include but not limited to brokerage account statements, bank account numbers and correspondence involving these entities.

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If you have any questions, please feel free to contact me at [redacted] Thank you for your help.

Sincerely,

[redacted]

Special Agent



FEDERAL BUREAU OF INVESTIGATION
LOS ANGELES FIELD OFFICE
11000 WILSHIRE BLVD., SUITE 1700
LOS ANGELES, CA. 90024
TELEPHONE (310)996-3810 FACSIMILE (310)477-7344



CLASSIFICATION:
OTOP SECRET
OSECRET
OCONFIDENTIAL
OUNCLAS E F T O
OUNCLAS

PRECEDENCE:
OIMMEDIATE
OPRIORITY
OROUTINE

TO: NASA REGULATION
ATTENTION: [REDACTED]
FAX #: [REDACTED]

FROM: [REDACTED]
TELEPHONE: [REDACTED]

SUBJECT: JB OXFORD
PAGES SENT (INCLUDING COVER PAGE): 2
DATE: 9/3/97

APPROVED:

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INVESTIGATIVE INFORMATION SERVICES
REPLY FORM

In order to help us better serve your investigative needs,
please complete the following and return to:

FBI, Butte Information Technology Center
400 North Main Street, Room #115
Butte, Montana 59701

BUTTE ITC RECORD #: 144698-~~67~~ UCFN: 196C-LA-208098
ANALYST: [Redacted]

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Was the information provided helpful to your investigation? ☒ YES ☐ NO
If **NO**, please let us know how we could be more helpful to your investigation: _____

ACCOMPLISHMENT(S) resulting from information:

PERSON(S): (Enter total number applicable to each of the following)

_____ FBI Fugitive(s) Arrested: ☐ FBI ☐ Local Date _____

(Forward photo of Fugitive arrested with this Reply form)

_____ Local Fugitive(s) Arrested: ☐ FBI ☐ Local Date _____

(Forward photo of Fugitive arrested with this Reply form)

_____ Subject(s) ☐ Arrested ☐ Located ☐ Identified

(Forward photo of Subject arrested with this Reply form)

_____ Witness(es) ☐ Located ☐ Identified

_____ New Witness(es) ☐ Located ☐ Identified

BUSINESS(ES): (Enter total number applicable to each of the following)

X New Business(es) Identified

_____ New Business Associates/Associations Identified

_____ Financial Audit Trail(s) Enhanced

ASSET(S): (Enter total number applicable to each of the following)

(TYPES: C = CASH R = REAL PROPERTY P = PERSONAL PROPERTY)

_____ Asset(s) ☐ Located ☐ Identified [VALUE: _____ TYPE: _____]

_____ Asset(s) Subject to Seizure/Forfeiture [VALUE: _____ TYPE: _____]

_____ Potential Economic Loss Prevented [VALUE: _____ TYPE: _____]

OTHER: (Enter total number applicable to each of the following)

_____ New Case(s) Initiated

_____ New Lead(s) Generated

COMMENTS: _____

- 1 - Case File
- 1 - BITC

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LOS ANGELES BUSINESS JOURNAL

AUGUST 25 - 31, 1997

\$3.00

This Week

VOLUME 19
NUMBER 34

The Lists

The 25 largest interior design firms in L.A. County.
19, 21

The 25 largest residential developers in L.A. County.
23-24



Pump prices

Production problems and high demand are pumping up summer gas prices.

Shopping for Best Bankruptcy Deal?

By HOWARD FINE
Staff Reporter

It's been an open secret among bankruptcy attorneys: Avoid filing Chapter 11 petitions in the downtown courts, where three of the nine judges are said to be unfriendly toward debtors.

Stick instead to friendlier courts in the San Fernando Valley and even Santa Barbara.

Well, the party appears to be over. The chief judge of the Central District of the U.S. Bankruptcy Court, concerned about huge imbalances in the workloads of judges, has issued an order aimed at stopping the practice of "judge shopping."

This abuse of the system is offensive to the Court, creates a public perception of unfairness, distorts the historic practice of random assignment of cases to judges throughout the Court, and may provide certain unfair advantages to those willing to manipulate the process," wrote Chief Judge Geraldine Mund in her order, which goes into effect Oct. 1.

The order requires Chapter 11 filers to state under penalty of perjury their company headquarters address and where the majority of the company's assets are located. The information will then be used by the bankruptcy judge to ensure that the company is filing in the correct jurisdiction.

According to current law, Chapter 11 cases are supposed to be filed in the division in which the debtor is located. A judge in that division is then randomly assigned to the case.

However, there has been an increasing trend of cases being filed in districts with a tenuous connection to the debtor.

One recent case, and one which Mund said was a catalyst for her order, involved **Baldwin Builders**. The Newport Beach company should have filed in nearby Santa Ana, but instead filed in Santa Barbara, ostensibly because one of the principals had an address there.

Another often-cited example is the **Sizzler International** Chapter 11 filing last year. Sizzler, based in Los Angeles near Marina del Rey, filed in the San Fernando Valley bankruptcy division.

Please see **BANKRUPTCY** page 55

Pardon Me, Your Slip Is Showing Underwear as Outerwear Is Latest Fashion Craze

By LARRY KANTER
Staff Reporter

Just six months ago, Solissa Welden was a shoe store manager who happened to design dresses in her spare time.

Now, the 42-year-old Venice resident heads her own clothing company, Solissa, which supplies thousands of dresses to scores of trendy boutiques and department stores nationwide and is finishing up its first major order for a chain of stores.



Feeding Frenzy For High-End Homes in L.A.

By JOYZELLE DAVIS
Staff Reporter

It took five months, five Realtors working simultaneously and a flash of luck for Kerry Wills and his family to find their dream house—or at least their dream lot.

Wills had already been outbid on two homes before he landed an unlisted home in the hills section of Manhattan.

...should install a device to reduce... more than 90 percent.

...the chains using this cooking method... King and Carl's Jr., according to... In addition, several local amusement... be impacted by the measure.

...AQMD would require these restaurants... equipment that would convert emissions... has harmful carbon dioxide and water. A... report on the measure is expected to be... more time next year.

Glend Fed Acquisition

The parent company of Glendale Federal Bank announced that it has agreed to buy Pasadena-based CenFed Bank in a stock swap valued at \$210 million.

This will be the fifth deal in two years for GlendFed's parent - Golden State Bancorp Inc.

The acquisition of CenFed, which has \$2.3 billion in assets, will require regulatory and shareholder approval.

The deal is expected to close in 1998 and might result in some branch closures and job cuts, according to Golden State officials.

CenFed has 400 full- and part-time employees - and seven branches located within a mile of an existing Glendale Federal office. Glendale Federal is the state's sixth largest savings and loan, with assets of \$16.2 billion and 200 branches.

FBI Raid

Federal agents last week raided JB Oxford & Co., a Beverly Hills-based discount brokerage firm associated with convicted stock swindler Irving Kott.

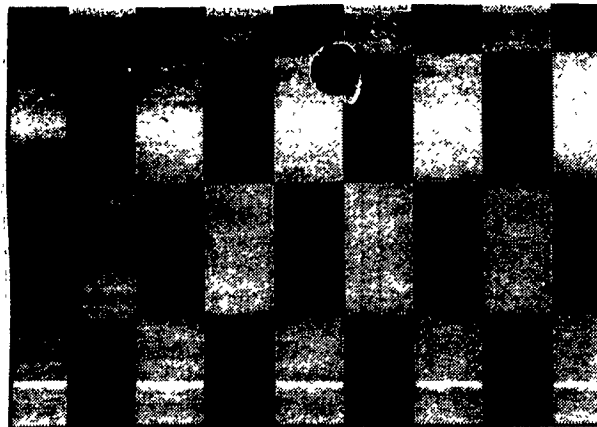
The Securities and Exchange Commission is working with the FBI in a probe of Kott, who was a consultant to Oxford.

Kott was previously convicted of stock fraud in Montreal in 1976. Federal agents are now looking into his recent dealings in the United States.

The FBI served search warrants on the brokerage firm and seized documents, but no arrests were made. Investigators would not comment on the Oxford investigation.

Shelk Deal

ITT Corp. announced that it has signed a one-year contract to manage four former Ritz-Carlton hotels owned by the Los Angeles-based company of billionaire Saudi businessman



Banking & Finance Third Quarter

Publication Date:

September 29th

Issue Closes:

September 19th

NO COMICS. NO SPORTS. NO BULL.



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(Mount Clipping in Space Below)

FBI Raid

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(Indicate page, name of newspaper, city and state.)
LOS ANGELES BUSINESS JOURNAL, Pg 39

Date:
Edition: **8-25-97**

Title:

Character:
or
Classification: **WCC-4**
Submitting Office: **LOS ANGELES**

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SERIALIZED _____	FILED _____
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FBI-LOS ANGELES	

PC

(12/31/1995)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 09/10/1997

To: Los Angeles

Attn: Tabatabaian

From: Savannah ITC

Investigative Information Services Center (IISC)
Contact: [REDACTED]

Approved By: [REDACTED]

Drafted By: [REDACTED]

Case ID #: 196C-LA-208098 (Pending)

Title: IRVING ISRAEL KOTT
REQUEST# 102398

Synopsis: To report results of request submitted to Savannah ITC.

Enclosures: [REDACTED] printouts are maintained in the OO case file.

Details: [REDACTED] PRINTOUTS HAVE BEEN SENT TO THE REQUESTER AND WILL BE MAINTAINED AS PERMANENT FILE MATERIAL IN THE OO CASE FILE.

Two copies of a reply form are being submitted with database printouts. It is requested that you record the accomplishments of this request on these forms, return one copy to the SITC, and maintain one copy as a serial in your case file.

Results of inquiries are set forth below.

Address Update on subject, Irving Kott, name and address fail to provide a social identifiable with this individual.

Address Update on the name of [REDACTED] and address reveal SSN# [REDACTED] and SSN# [REDACTED] associated with this individual.

SSN# [REDACTED] is a valid social issued for the State of California during the year 1993 and associated with [REDACTED] This [REDACTED] appears to be true social for this individual.

SSN# [REDACTED] is not a valid social and has never been issued by the Social Security Administration. However, a review of credit header report reveal this social identifiable with [REDACTED]

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To: Los Angeles From: Savannah ITC
Re: 196C-LA-208098, 09/10/1997

A review of searches conducted for Irving Israel Kott reveal only civil and news articles in the name of Irving Kott. These searches are included for your review.

Corporate searches for Turret Consultants fail to reveal any records related to this business.

TECS flight records for Irving Kott reveal several flight records identifiable with this subject.

Also included for your review are additional searches which may assist your investigation.

1
To: Los Angeles From: Savannah ITC
Re: 196C-LA-208098, 09/10/1997

LEAD (s):'

Set Lead 1:

LOS ANGELES

AT LOS ANGELES

Complete and return Reply Form to Savannah ITC.

THIS IS PERMANENT FILE MATERIAL
AND IS TO BE MAINTAINED IN
THE OO CASE FILE.

♦♦



INVESTIGATIVE INFORMATION REQUEST FORM

FBI, Savannah Information Technology Center

220 East Bryan Street
Savannah, Georgia 31401

- Commercial Telephone or FTS: (912) 944-0824 thru 0828
 ► FAX: (912) 231-1076 and (912) 231-0974
 ► Secure FAX & STU III: (912) 231-1075

ITC Use Only:

SITC Record #: 102398

Date/Time In: 9/3/98 10:18 am ☒ am ☐ pmDate/Time Out: 9/10/98 1405 ☐ am ☒ pm

Database(s) Used:

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2. <u>TRW</u>	6. <u>MIN</u>	10. _____
3. <u>CDB</u>	7. _____	11. _____
4. <u>LN</u>	8. _____	12. _____

Handled By: _____

TO: FBI, SAVANNAH INFORMATION TECHNOLOGY CENTER

Date: 9/2/98Forfeiture/Seizure Related: ☐ Type of Request: ☒ FAX ☐ Telcal ☐ Mail Reply: ☐ FAX ☐ Telcal ☒ MailRequestor: _____ Phone #: 312-996-3909 FAX #: 312-996-7544 UCFN: 196C-LA-208098Office/RA: LA (Requestor Name is Required) Precedence: ☒ ROUTINE ☐ IMMEDIATE (UCFN (File #) is Required) (2 hrs)

SEARCH CRITERIA (Attach additional sheets if necessary)

Name - Last: Kott First: Irving Middle: IsraelAlias: _____ Sex: M DOB1: 10/12/30 DOB2: 1/1

SSAN1: _____ SSAN2: _____ Spouse: _____

Fugitive: ☐ Yes ☒ No Driver's License #: _____ State: _____

RESIDENCE

Street Address: 9966 Beverly Grove Drive City/State: Beverly Hills CA Zip: 90210 Phone: _____

BUSINESS

Business Name: Turret Consultants Inc. Street Address: Located in Canada and California

City/State: _____ Zip: _____ Phone: _____ Business ID#: _____

CHECK DESIRED SEARCH PARAMETERS (Please check only those that are needed)

☒ 1. Specific Information Desired Any business records including☐ 2. Determine All Individuals Associated with Social Security Number(s)☐ 3. Report Validity of Social Security Number☐ 4. Determine Who is Associated with Telephone Number(s)☒ 5. Determine Address of Business/Person (____ U.S. _____, _____, _____ State(s))☒ 6. Determine Property Owned by Individual (____ U.S. _____, _____, _____ State(s))☐ 7. Determine Who Owns Property Listed Above☐ 8. Determine Who Resides at Address Listed Above☒ 9. Determine Financial Background Info, i.e., Bankruptcy, Judgements, Liens, UCC filings, or Lawsuits☒ 10. Determine Corporate Business Info, i.e., Officer, Director, Registered Agent Turret Consultants (Person/Business)☒ 11. Customs Border Crossings / Subject query / I-94 info (circle one)☐ 12. Federal Prison Inmate Information☐ 13. Telemarketing Complaints

Reply From: FBI, Savannah Information Technology Center (SITC)

Return Reply To: SAC, LOS ANGELES 196C-LA-208098

Attention: _____

Based on search criteria, marked records are attached:

☒ Possible Identifiable Records☒ Brief Synopsis of Information Found☒ Other Peripheral Information☐ No Information Found

* Kott is a citizen of Canada.

***** TRW ADDRESS UPDATE *****
* FBI - SAVANNAH PUBLIC SOURCE INFORMATION GROUP *
*
***** Dept: TRAILS / Queued by: SUPERVISOR *****

DATE:09-08-1997 TIME:06:24:59 SUBJECT ID:Address Update

KOTT, IRVING;
CA-9966 BEVERLY GROVE DR/BEVERLY HILLS CA 90210;
G-G, V-06/042/6.30, H-Y;

PAGE 1 DATE 9-09-97 TIME 5:22:12 PCA22 V101 TCA7

***** NO RECORD FOUND *****

END -- EXPERIAN

*** END OF REPORT ID: 09-08-1997/06:24:59 (ORN: 45) [B-0/F-1/P-4/O-0] ***

***** TRANS UNION CONSUMER CREDIT REPORT *****
* FBI - SAVANNAH PUBLIC SOURCE INFORMATION GROUP *
*
***** Dept: RETRACE / Queued by: SUPERVISOR *****

DATE:09-08-1997 TIME:06:23:48 SUBJECT ID:

I KOTT,IRVING,,,*
9966,,BEVERLY GROVE,DR,BEVERLY HILLS,CA,90210,*
*

TRANS UNION RETRACE REPORT

<FOR>	<SUB NAME>	<MKT SUB>	<INFILE>	<DATE>	<TIME>
(I) QHO2870625	INFO CENTER	12 LA		09/09/97	05:16CT

<SUBJECT>
KOTT, IRVING

<CURRENT ADDRESS>	<DATE RPTD>
9966 BEVERLY GROVE DR., BEVERLY HILLS CA. 90210	9/97

SPECIAL MESSAGES

HAWK-ALERT: CLEAR FOR ALL SEARCHES PERFORMED
NO SUBJECT FOUND / REENTER WITH PREV. ADDRESS OR TRY TU'S ATLAS

END OF RETRACE REPORT

COPYRIGHTED TRANS UNION 1994

GO

*** END OF REPORT ID: 09-08-1997/06:23:48 (ORN: 43) [B-0/F-0/P-0/O-0] ***

***** TRANS UNION CONSUMER CREDIT REPORT *****
* FBI - SAVANNAH PUBLIC SOURCE INFORMATION GROUP *
*
***** Dept: RETRACE / Queued by: SUPERVISOR *****

DATE:09-08-1997 TIME:06:23:52 SUBJECT ID:

[REDACTED]

*

b6
b7C

TRANS UNION RETRACE REPORT

<FOR>	<SUB NAME>	<MKT SUB>	<INFILE>	<DATE>	<TIME>
(I) QHO2870625	INFO CENTER	12 LA		09/09/97	05:16CT

<SUBJECT>

[REDACTED]

<SSN>

[REDACTED]

<CURRENT ADDRESS>

[REDACTED]

<DATE RPTD>
9/93

SPECIAL MESSAGES

HAWK-ALERT: CLEAR FOR ALL SEARCHES PERFORMED

END OF RETRACE REPORT

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GO

*** END OF REPORT ID: 09-08-1997/06:23:52 (ORN: 44) [B-0/F-0/P-0/O-0] ***

***** TRW ADDRESS UPDATE *****
* FBI - SAVANNAH PUBLIC SOURCE INFORMATION GROUP *
*
***** Dept: TRAILS / Queued by: SUPERVISOR *****

DATE:09-08-1997 TIME:06:25:05 SUBJECT ID:Address Update

[REDACTED]
G-G,V-06/042/6.30,H-Y;

PAGE 1 DATE 9-09-97 TIME 5:22:17 PCA22 V301 TCA7

[REDACTED]
SS: [REDACTED]

END -- EXPERIAN ADDRESS UPDATE

*** END OF REPORT ID: 09-08-1997/06:25:05 (ORN: 46) [B-0/F-0/P-0/O-0] ***

b6
b7C

b6
b7C

***** EQUIFAX DTEC *****
* FBI - SAVANNAH PUBLIC SOURCE INFORMATION GROUP *
*
***** Dept: TRAILS / Queued by: SUPERVISOR *****

DATE:09-08-1997 TIME:06:28:12 SUBJECT ID:DTEC

DTEC-

b6
b7c

SOCIAL SECURITY NUMBER ISSUED BY THE SOCIAL SECURITY
ADMINISTRATION WITHIN THE LAST 5 YEARS
THOROUGH VERIFICATION SUGGESTED.

SSN ISSUED -93 STATE ISSUED-CA

51 NO RECORD FOUND&

END OF REPORT EQUIFAX AND AFFILIATES - 09/09/97

*** END OF REPORT ID: 09-08-1997/06:28:12 (ORN: 47) [B-0/F-0/P-0/O-0] ***

***** TRANS UNION TRACE *****
* FBI - SAVANNAH PUBLIC SOURCE INFORMATION GROUP *
*
***** Dept: TRAILS / Queued by: SUPERVISOR *****

DATE:09-08-1997 TIME:06:29:32 SUBJECT ID:TRACE

TRCE

TRANS UNION TRACE REPORT

QHO2870232

15 SC

09/09/97 5:22CT

* SOCIAL SECURITY NUMBER TRACE *

622-66-2047

HAWK-ALERTSEE END RPT

b6
b7C

NAME/SPOUSE

SSN OWNER

ADDRESS

ADDR RPT DATE

1.

SUBJECT

09/93

HAWK-ALERT: CLEAR FOR ALL SEARCHES PERFORMED

END OF NETWORK TRACE

COPYRIGHT 1993, TRANS UNION CORPORATION

GO

*** END OF REPORT ID: 09-08-1997/06:29:32 (ORN: 50) [B-0/F-0/P-0/O-0] ***

***** TRW SOCIAL SEARCH *****
* FBI - SAVANNAH PUBLIC SOURCE INFORMATION GROUP *
*
***** Dept: TRAILS / Queued by: SUPERVISOR *****

DATE:09-08-1997 TIME:06:30:44 SUBJECT ID:SOCIAL SEARCH

9-V-06/042/6.30

b6
b7c

PAGE 1 DATE 9-09-97 TIME 5:27:56 PCA35 V201

***** NO RECORD FOUND *****

END -- EXPERIAN

*** END OF REPORT ID: 09-08-1997/06:30:44 (ORN: 52) [B-0/F-0/P-0/O-0] ***

SSN Plus

Date: 9/ 9/97
Reference: sitc
Search Criteria: [REDACTED]

Time: 3:29 AM
Requestor: 000

b6
b7c

Item Number: 1

The following SSNPlus is a combined report based upon the information provided by 3 major credit bureaus and other sources.

SOCIAL SECURITY ORIGIN

STATE OF ISSUE: CALIFORNIA
YEAR OF ISSUE : 1993

... NO RECORDS FOUND FOR TRACK #2
... NO RECORDS FOUND FOR TRACK #3

SUMMARY OF NAME MATCHES

NAME	YOB	DATE REPORTED	OTHER REPORTED SSN's
[REDACTED]		09/93	

b6
b7c ADDRESS HISTORIES

SSNPlus reports the following address(es) in the order they were reported to the credit bureaus.

[REDACTED] REPORTED BY TRACK 1 ON 09/93

MESSAGES RETURNED

*** WARNING ***

Social Security Number issued by the Social Security Administration in the last 5 years.

*** DEFINITION ***

Social Security Number was issued within the last five years; could belong to a minor.

*** POSSIBLE CAUSES ***

Inaccurate input.
Subject, in error, provided inaccurate number.
Subject using Canadian Social Insurance Number.
Subject intentionally created new identity.
Subject intentionally used a child's SSN.

*** NOTICE ***

Information reported by SAFESCAN services is provided for tip or lead purposes only and must be independently verified prior to any use. SAFESCAN services information may or may not

***** EQUIFAX DTEC *****
* FBI - SAVANNAH PUBLIC SOURCE INFORMATION GROUP *
*
***** Dept: TRAILS / Queued by: SUPERVISOR *****

DATE:09-08-1997 TIME:06:28:20 SUBJECT ID:DTEC

DTEC:

b6
b7c

IS SOCIAL SECURITY NUMBER A TYPO ERROR? IF NOT, SOCIAL SECURITY NUMBER
HAS NEVER BEEN ISSUED BY THE SOCIAL SECURITY ADMINISTRATION.

51 NO RECORD FOUND&

END OF REPORT EQUIFAX AND AFFILIATES - 09/09/97

*** END OF REPORT ID: 09-08-1997/06:28:20 (ORN: 48) [B-0/F-0/P-0/O-0] ***

***** TRANS UNION TRACE *****
* FBI - SAVANNAH PUBLIC SOURCE INFORMATION GROUP *
*
***** Dept: TRAILS / Queued by: SUPERVISOR *****

DATE:09-08-1997 TIME:06:29:28 SUBJECT ID:TRACE

TRCE

b6
b7c

TRANS UNION TRACE REPORT

QHO2870232

15 SC

09/09/97 5:22CT

* SOCIAL SECURITY NUMBER TRACE *

HAWK-ALERTSEE END RPT

HAWK-ALERT:INPUT SSN NOT ISSUED BY SOCIAL SECURITY ADMINISTRATION

NETWORK TRACE COMPLETED - TRY TU'S ATLAS

COPYRIGHT 1993, TRANS UNION CORPORATION

GO

*** END OF REPORT ID: 09-08-1997/06:29:28 (ORN: 49) [B-0/F-0/P-0/O-0] ***

***** TRW SOCIAL SEARCH *****
* FBI - SAVANNAH PUBLIC SOURCE INFORMATION GROUP *
*
***** Dept: TRAILS / Queued by: SUPERVISOR *****

DATE:09-08-1997 TIME:06:30:39 SUBJECT ID:SOCIAL SEARCH

9 V-06/042/6.30

b6
b7c

PAGE 1 DATE 9-09-97 TIME 5:27:51 PCA35 V101

SS:

END -- EXPERIAN SOCIAL SEARCH

*** END OF REPORT ID: 09-08-1997/06:30:39 (ORN: 51) [B-0/F-0/P-2/O-0] ***

INE

Now Requesting SSN Data.... Please Wait...

Seq	Name(s) & Address(s)	
1)		00/00/00 (000) 000-0000 BEVERLY HILLS CA 90210 DT:09/93

Issued in California

b6
b7c

This information may be used only for DCS' customers, or customer's client's exclusive use, and such customers and customer's clients are required to hold the information in strict confidence and shall not disclose it to 3rd parties.

SSN Options:

Cost of this SSN is \$4.50

Enter Sequence (#,s) or <Enter> to Continue: 1

Now Searching, Please Wait... (Type 'S' to Stop)

Seq	Name	Address	D/O/B	TPD	Vdate
1			00/00/00		00/00
2			00/00/00		88/10

AS Options: End Of List!

Current Cost of this AS is \$3.00

Enter Seq#(,s), (V)ehicles, (R)edisplay, E(x)it or <Enter> to Continue:

Alt-Z FOR HELP| ANSI | FDX | 9600 E71 | LOG CLOSED | PRINT OFF | ON-LINE

Missing Links - Address Search

Date: 9/ 9/97
 Reference: sitc
 Search Criteria: 9966 BEVERLY GROVE

Time: 3:27 AM
 Requestor: 000

Item	Name	Curr/ Prev	Address	Soc.Sec.No.	YOB
1					b6
2					b7c
3					

End of search.

Missing Links - Address Search - Level 3

Date: 9/ 9/97

Time: 3:28 AM

Reference: sitc

Requestor: 000

Search Criteria:

The following Missing Links report is a combined report based on data from a major consumer reporting agency and a variety of public records sources such as telephone white pages, driver's license files and real property ownership information. Data from public records will be indicated with a "P".

1 Name:

Soc. Sec. Number:
Soc. Sec. St. Issue:
Soc. Sec. Yr. Issue:
File Creation Date:

Current Address:

Date Reported:

Property Owner:
Address:

b6
b7C

Neighborhood Information

Based on the Current Address as Identified Above
Combined Consumer Reporting Agency and Public Records Information
C = Consumer Reporting Agency P = Public Records

(C) PHONE NUMBER:
UPDATED: 03/95

(C) PHONE NUMBER:
UPDATED: 08/94

(C) PHONE NUMBER:
UPDATED: 12/93

(C) PHONE NUMBER:
UPDATED: 01/95

(C) PHONE NUMBER:
UPDATED: 09/93

(C) PHONE NUMBER:
UPDATED: 08/85

(C) PHONE NUMBER:
UPDATED: 11/96

(C) PHONE NUMBER:
UPDATED: 11/89

b6
b7C

CA Los Angeles County Superior Court Civil

Data From: 01/01/79 - 09/02/9

Date: 9/ 9/97

Time: 3:39 AM

Reference: sitc

Requestor: 000

Search Criteria: KOTT IRVING

	PARTY NAME	CASE NUMBER	FILE DATE	COURT LOCATION
1	DEFE KOTT IRVING	BC127221	05/12/1995	LOS ANGELES
2	DEFE KOTT IRVING	BC126935	05/01/1995	LOS ANGELES
3	DEFE KOTT IRVING	SC026784	10/21/1993	SANTA MONICA
4	DEFE KOTT IRVING	BC038985	10/03/1991	LOS ANGELES

End of search.

C

*** THIS DATA IS FOR INFORMATIONAL PURPOSES ONLY ***

LOS ANGELES COUNTY SUPERIOR COURT CIVIL CASE INDEX

CASE NAME: BEACHPORT ENTERTAIN CORP, et al v. HATELY DONALD, et al

CIVIL CASE NUMBER: BC 127221

FILING DATE: 05/04/95

DISTRICT: CENTRAL (LOS ANGELES)

CASE TYPE: CIVIL

PARTY:

PLAINTIFF	DEFENDANT	COMMENT
-----	-----	-----
BEACHPORT ENTERTAIN CORP	HATELY DONALD	
FILING DATE: 05/04/95		
BEACHPORT ENTERTAIN CORP	OXFORD&CO J B	
FILING DATE: 05/04/95		
BEACHPORT ENTERTAIN CORP	SHRINER DAVID	
FILING DATE: 05/04/95		
BENJAMIN PROD STUART	OXFORD&CO J B	
FILING DATE: 05/04/95		
BEACHPORT ENTERTAIN CORP	KOTT IRVING	AMENDMENT
FILING DATE: 05/12/95		
BEACHPORT ENTERTAIN CORP	J B OXFORD HOLDINGS INC	AMENDMENT
FILING DATE: 07/30/96		
BEACHPORT ENTERTAIN CORP	J B OXFORD&CO	AMENDMENT
FILING DATE: 07/30/96		
BEACHPORT ENTERTAIN CORP	R K S FINAN GRP INC	AMENDMENT
FILING DATE: 07/30/96		

ENTER LEXDOC TO ORDER COPIES OF PLEADINGS AND RELATED FILINGS

*** THIS DATA IS FOR INFORMATIONAL PURPOSES ONLY ***

LOS ANGELES COUNTY SUPERIOR COURT CIVIL CASE INDEX

CASE NAME: ENZER DAVID J v. HOULIHAN RICHARD, et al

CIVIL CASE NUMBER: SC 026784

FILING DATE: 10/21/93

DISTRICT: WEST (SANTA MONICA)

CASE TYPE: CIVIL

PARTY:

PLAINTIFF	DEFENDANT	COMMENT
-----	-----	-----
ENZER DAVID J	HOULIHAN RICHARD	
ENZER DAVID J	HOULIHAN VALUATION ADVISORS	
ENZER DAVID J	KOTT IRVING	
ENZER DAVID J	R K S FINAN GRP INC	
ENZER DAVID J	REYNOLDS KENDRICK STRATTON	
ENZER DAVID J	SENIOR WALTER	
ENZER DAVID J	STRATTON WILLIAM	

ENTER LEXDOC TO ORDER COPIES OF PLEADINGS AND RELATED FILINGS

23

LEVEL 1 - 3 OF 5 RECORDS

*** THIS DATA IS FOR INFORMATIONAL PURPOSES ONLY ***

LOS ANGELES COUNTY SUPERIOR COURT CIVIL CASE INDEX

CASE NAME: MYLES KELVIN P v. FINAN STRATEGIES INTERNATL, et al

CIVIL CASE NUMBER: BC 126935

FILING DATE: 05/01/95

DISTRICT: CENTRAL (LOS ANGELES)

CASE TYPE: CIVIL

PARTY:

PLAINTIFF	DEFENDANT	COMMENT
-----	-----	-----
MYLES KELVIN P	FINAN STRATEGIES INTERNATL	
MYLES KELVIN P	KOTT IAN	
MYLES KELVIN P	KOTT IRVING	
MYLES KELVIN P	MCLELLAND RICHARD	
MYLES KELVIN P	OERI FINAN INC	
MYLES KELVIN P	STRATTON INC REYNOLDS K	
MYLES KELVIN P	TREMBLAY YVONNE	

ENTER LEXDOC TO ORDER COPIES OF PLEADINGS AND RELATED FILINGS

*** THIS DATA IS FOR INFORMATIONAL PURPOSES ONLY ***

LOS ANGELES COUNTY SUPERIOR COURT CIVIL CASE INDEX

CASE NAME: PICHINSON MARTIN, et al v. STOCKBURY FASHION LTD, et al

CIVIL CASE NUMBER: BC 038985

FILING DATE: 10/03/91

DISTRICT: CENTRAL (LOS ANGELES)

CASE TYPE: CIVIL

PARTY:

PLAINTIFF	DEFENDANT	COMMENT
-----	-----	-----
PICHINSON MARTIN	STOCKBURY FASHION LTD	
SALKE ALAN	GROVE STEPHEN	
SALKE ALAN	HENSEL IRENE	
SALKE ALAN	JOHNSON NANCY	
SALKE ALAN	KOTT IRVING	
SALKE ALAN	LANGE JOHN	
SALKE ALAN	LOEB JULES	
SALKE ALAN	MAGO ASHOK	
SALKE ALAN	MATHEWS HARLAND	
SALKE ALAN	OATES RON	
SALKE ALAN	PORTUGAL BEN	
SALKE ALAN	STOCKBURY FASHION LTD	
SALKE ALAN	STONEFIELD JOEL	
STOCKBURY FASHION LTD	DESIGNERS OWN INC	
STOCKBURY FASHION LTD	FOREST LN INC	

ENTER LEXDOC TO ORDER COPIES OF PLEADINGS AND RELATED FILINGS

*** THIS DATA IS FOR INFORMATIONAL PURPOSES ONLY ***

U.S. DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA CIVIL CASE INDEX

Rafi M Khan vs Irving Kott, et al

PLAINTIFF: Khan, Rafi M

DEFENDANT: J.B. Oxford & Company
Kott, Irving
Senior, Walter
Stratton, William

CASE NUMBER: 2:94-cv-01531

FILING DATE: 03/10/1994

COURT: Los Angeles

JUDGE: William J. Rea

MAGISTRATE: Mcx

Date: 9/ 9/97

Reference: sitc

Search Criteria: KOTT IRVING

Time: 3:40 AM

Requestor: 000

1 Case Number: BC127221
File Date: 05/04/1995
Location: CENTRAL (LOS ANGELES)
Case Type: CIVIL
Action: CONTRACT/COMMERCIAL

Defendant: HATELY DONALD
OXFORD&CO J B
SHRINER DAVID

Plaintiff: BEACHPORT ENTERTAIN CORP
BENJAMIN PROD STUART

Pltf. Attorney: LOVE-BOSSERMAN

Case Number: BC127221
File Date: 05/12/1995
Location: CENTRAL (LOS ANGELES)
Case Type: CIVIL

Defendant: * KOTT IRVING

2 Case Number: BC126935
File Date: 05/01/1995
Location: CENTRAL (LOS ANGELES)
Case Type: CIVIL
Action: CONTRACT/COMMERCIAL

Defendant: FINAN STRATEGIES INTERNATL
KOTT IAN
* KOTT IRVING
MCLELLAND RICHARD
OERI FINAN INC
STRATTON INC REYNOLDS K
TREMBLAY YVONNE

Plaintiff: MYLES KELVIN P

Pltf. Attorney: BROBECK-PHLEGER-HARRISON

3 Case Number: SC026784
File Date: 10/21/1993
Location: WEST (SANTA MONICA)
Case Type: CIVIL

Defendant: HOULIHAN RICHARD
HOULIHAN VALUATION ADVISORS
* KOTT IRVING
R K S FINAN GRP INC
REYNOLDS KENDRICK STRATTON
SENIOR WALTER
STRATTON WILLIAM

Plaintiff: ENZER DAVID J 27

4 Case Number: BC038985
File Date: 10/03/1991
Location: CENTRAL (LOS ANGELES)
Case Type: CIVIL
Action: CONTRACT/COMMERCIAL

Defendant: DESIGNERS OWN INC
FOREST LN INC
GROVE STEPHEN
HENSEL IRENE
JOHNSON NANCY
* KOTT IRVING
LANGE JOHN
LOEB JULES
MAGO ASHOK
MATHEWS HARLAND
OATES RON
PORTUGAL BEN
STOCKBURY FASHION LTD
STONEFIELD JOEL

Plaintiff: PICHINSON MARTIN
SALKE ALAN

End of search.

1ST STORY of Level 1 printed in FULL format.

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The Financial Post

August 21, 1997 Thursday DAILY EDITIONS

SECTION: SECTION 1, NEWS; Pg. 21

LENGTH: 293 words

HEADLINE: Feds investigate JB Oxford adviser Kott, known to Canadian regulators

BYLINE: Dow Jones

DATELINE: New York, NY

BODY:

Federal authorities investigating Beverly Hills, Calif., brokerage firm JB Oxford & Co. are examining the activities of Irving Kott, a convicted Canadian stock swindler, who works for JB Oxford as a consultant, a source close to the investigation said.

JB Oxford & Co., the sole unit of JB Oxford Holdings Inc., employs Kott as an 'ad hoc consultant on advertising and marketing,' said Mike Kolbenschlag, an outside spokesman for the firm.

Kott and JB Oxford's chairman, Felix Oeri, couldn't be reached for comment.

'None of these guys are available,' Kolbenschlag said of the firm's officers. 'They're just trying to get things back on an even keel.'

Kott's connection to the firm was first reported in 1995, soon after JB Oxford changed its name from RKS Financial Group Inc. and began focusing on new businesses, such as discount brokerage and online trading.

The firm's main business is clearing trades for other brokerage firms.

Kott also worked for RKS a few years earlier, although he reportedly stopped after his association with the firm was disclosed in the media.

The U.S. Attorney's Office in Los Angeles didn't return a phone call yesterday requesting comment on the continuing investigation into JB Oxford.

The probe became public Monday after agents from the Federal Bureau of Investigation, armed with search warrants, entered the firm's offices in Beverly Hills and Basel, Switzerland. An FBI spokesman said Tuesday the searches were conducted in conjunction with a white-collar crime investigation.

Kott is well known to Canadian stock regulators. In 1976, he pleaded guilty to stock fraud in Ontario and paid a fine of \$ 500,000.

His son, Ian, also works at JB Oxford and was recently promoted to chief operating officer.

LANGUAGE: ENGLISH

9TH STORY of Level 1 printed in FULL format.

Copyright 1996 ~~The Time Inc. Magazine Company~~
~~Time~~

December 9, 1996

SECTION: BUSINESS; Pg. 52

LENGTH: 2612 words

HEADLINE: ~~THE SECRET LIFE OF JB OXFORD;~~
~~WHY THE POWER BEHIND A DISCOUNT BROKER WANTS TO STAY OUT OF SIGHT~~

BYLINE: ~~LARRY GURWIN~~

BODY:

For years, the securities industry in the U.S. and elsewhere has been host to fast-buck brokerage firms that have ridden the back of the bull market like so many parasites. Typically, they hype penny stocks in tiny companies that are all promise and no delivery and then close up shop when the market hiccups or the regulators catch on, leaving gullible investors to count their losses.

No one has been a better practitioner of the craft than Irving Kott, a sharp operator who has played a powerful, behind-the-scenes role at brokerage firms in his native Canada, Continental Europe, Britain and the U.S. In his biggest caper, Kott's brokerage customers lost as much as \$ 400 million. His operations have been run out of a number of countries, but now he is back in the U.S., operating right under the noses of government regulators, including the Securities and Exchange Commission and the National Association of Securities Dealers (NASD). *(already indexed)*

Kott is a powerful figure behind the scenes at JB Oxford & Co., a small discount brokerage with big pretensions whose parent company, JB Oxford Holdings, has become a darling of a group of online investors, to the point that many of them have bought stock in the brokerage company. Hundreds of messages about the company, based in Beverly Hills, California, have been posted in America Online's Motley Fool electronic forum, which has been prominent in boosting prices of a number of issues. Last year the company's stock opened at \$ 1 a share and shot up to nearly \$ 4 in December, ending the year at \$ 2. This year, despite a torrid market, the stock has not done as well as its online admirers might wish. At week's end it closed at \$ 1.75.

Few of the mostly small investors who have put money into JB Oxford's stock know about Kott's ties to the firm, because his name appears nowhere in the company's SEC filings. Why? According to JB Oxford, Kott is nothing more than a consultant to the brokerage company. Kott too, in faxed communications with TIME, reiterated the company's official explanation. In reality, he wields so much influence that several former employees told TIME they regarded him as the de facto CEO. There have also been allegations--hotly denied by Oxford--that the firm is engaging in some of the same dubious practices that were employed by other Kott-related brokerages in the past. Stephen Rubenstein, Oxford's chairman and CEO, insists that despite Kott's association with the company, JB Oxford is a clean operation making an honest living in one of the hottest markets in history.

But making an honest living is not an Irving Kott hallmark. Although he claims Canadian residency, Kott spends much of his time in California and lives at a rented 4,000-sq.-ft. mansion in Beverly Hills with a swimming pool and tennis court that was once the home of Cary Grant. Officially, the tenant is Rhoda F. Kott, Irving's wife, and there's a reason: by claiming Canadian residency, Kott has been able to avoid being served with subpoenas at JB Oxford's headquarters. Until a few months ago, Oxford reimbursed Kott's consulting firm for the rent.

Kott gets around. In 1976 he was convicted of stock fraud in Ontario and fined Can\$ 500,000--believed to be the largest personal fine in Canadian history up to that time. In 1979 he was sentenced to four years in prison in another case, a conviction that was overturned on appeal. By the '80s, he had set out for Europe to help run an Amsterdam-based company called First Commerce Securities, which became mired in scandal. The operation was a classic boiler room--a brokerage firm that used high-pressure sales tactics to push dubious securities. Telemarketers dialed for dollars around the clock to all points of the globe.

First Commerce's main product was stock of an outfit called DeVoe-Holbein International, a company that boasted a very interesting technology: one that could essentially extract gold and other valuable minerals from wastewater and seawater. It was a lure reminiscent of the medieval alchemists who claimed to be able to transform base metals into gold, with equally unimpressive results. Dutch authorities raided First Commerce in 1986 and forced it into bankruptcy the following year. Thousands of investors lost money, including many Americans living abroad.

Although Kott told TIME he was only a consultant to First Commerce, Dutch prosecutor Jan Koers says he found overwhelming evidence that Kott owned the company and played a major role in running it. He accused Kott of fraud, tax evasion and various other crimes. The criminal investigation stalled because Kott could not be extradited from Canada. Kott settled the case against him and other operators of the boiler room for about \$ 4 million. This was pocket change in comparison with what First Commerce collected. Prosecutor Koers estimates that investors lost a bare minimum of \$ 100 million. Jan van Apeldoorn, the bankruptcy receiver, believes the total damage was as high as \$ 400 million. Having been made unwelcome in the Netherlands, Kott, together with some of his associates, continued to push highly speculative stocks using brokerage firms in other countries, including Britain, Luxembourg and the U.S. One such outlet was Greentree Securities, a now defunct New York City firm run by Kott's son Michael, an alumnus of First Commerce. (Another son, Ian, is a senior official of JB Oxford.)

JB Oxford Holdings used to be called RKS Financial Group, and it was the parent company of a sketchy brokerage firm called Reynolds Kendrick Stratton. In the spring of 1993, Kott helped arrange for a group of investors to acquire a controlling interest in the brokerage company, and Kott was hired as a consultant. Reynolds Kendrick Stratton aggressively promoted Kott-related stocks, notably shares of a NASDAQ-listed company called Hariston Corp.

For many years Hariston was a Kott plaything. Hariston's stock had been sold by First Commerce Securities. The company was once called Western Allenbee Oil & Gas and later renamed Convoy Capital. Whatever the label, Hariston bore an odd resemblance to First Commerce's main piece of merchandise, DeVoe-Holbein

Time, December 9, 1996

International. It too boasted technology that could squeeze minerals from water, and one of the same scientists was involved: Irving W. DeVoe, a Canadian professor who had co-founded DeVoe-Holbein. In the early 1990s, a Hariston unit announced a project to extract minerals from mining waters in Butte, Montana, and many local people who believed in the project bought stock. The scheme came to naught, as did much of the money invested. (In its current incarnation, Hariston is a computer software company.)

Reynolds Kendrick Stratton's practices touched off a spate of litigation by investors as well as a probe by the nasd, forcing the company to pay out settlements, arbitration awards and fines. A March 1994 expose in BusinessWeek highlighted Kott's "consulting" role and revealed that Kott and some of the investors he had helped bring into the brokerage company were major shareholders of Hariston.

Shortly after that story appeared, RKS announced that it was pulling out of the full-service brokerage business. RKS shut down Reynolds Kendrick Stratton, and a new brokerage firm took its place: JB Oxford & Co.

Unlike its predecessor, JB Oxford & Co. would be a discount stockbroker--essentially a passive order taker for customers who wanted to save money on commissions.

In the two years since then, JB Oxford has expanded aggressively, hiring dozens of stockbrokers and opening branch offices in New York City, Boston, Miami, Dallas and Basel, Switzerland. Customers have been solicited through television commercials on cnbc in the U.S. and nbc Super Channel, an English-language cable channel in Europe. An Asian marketing group runs ads in Japanese, Chinese and Korean newspapers in California, and there are plans to open offices in Hong Kong and Taipei. Oxford has also plunged into cyberspace with its own Internet site, enabling investors to trade online.

Oxford CEO Rubenstein insists that Oxford is "vastly different" from its predecessor, Reynolds Kendrick Stratton, "with new management, new personnel and an entirely different business focus. There is simply no comparison between the two firms." One thing hasn't changed, however: the Kott connection. Several major JB Oxford shareholders have been closely associated with Kott or with stocks pushed through Kott-connected boiler rooms. Felix Oeri, a Swiss financier who is Oxford's biggest stockholder, bought a large block of Hariston stock a few years ago after it was recommended to him by Kott. (Oeri says he's lost money on the stock.) Arabella, a Luxembourg company that is Oxford's second-ranking stockholder, is currently the controlling shareholder of Hariston.

"Kott was the key: he made the decisions," recalls a former employee. When asked whether Kott gave orders to Rubenstein, this source replied, "Definitely." Said another ex-employee: "Kott called the shots. Everyone made suggestions to him, but [I think] his word was the final one. Nothing went on without his knowledge." A former broker said flatly, "It's his place. He runs it, he makes the decisions, he does the hiring and firing."

Early this year, several Oxford branch managers and employees from various parts of the country held at least two meetings at Kott's Beverly Hills mansion. Rubenstein, according to a former employee, was at both meetings, but they were chaired by Kott. A source in the brokerage business says Kott has actually

described himself as the "owner" of JB Oxford. When TIME asked Kott about his relationship with JB Oxford, he denied owning any stock and described himself as a consultant.

Rubenstein likewise rejects the notion that Kott is anything more than a consultant, and he adds that a two-year consulting agreement expired at the end of June and that Kott is now used only on an ad hoc basis. And yet Rubenstein's own comments about Kott make it clear that Kott has played a central role in the company, making him, at the very least, one of the two or three most important people there.

Kott not only has ties to several major shareholders, but he has also helped launch the discount-brokerage business, restructured the company's debt and supervised advertising and marketing. Until a few months ago, he spent 50% to 60% of his time at JB Oxford's headquarters--in an office that was larger than Rubenstein's own digs. (Although Rubenstein points out, "I have the corner office.")

Rubenstein's statements about Kott's office and the amount of time Kott spent there seem to contradict assertions that Oxford made in a civil case filed last year against Oxford, Kott and other defendants. After the plaintiffs tried to serve a summons on Kott at Oxford's offices, he and Oxford persuaded an appeals court judge to quash the summons. The main reasons: Kott had no office at JB Oxford, and he lived in Canada, not California. (Rubenstein says this isn't a contradiction because the office was provided to employees of Kott's consulting firm. Yet he acknowledges that the consulting-firm employee who occupied it was Irving Kott.)

The Kott connection may be disturbing, but does it matter to JB Oxford's clients? After all, Oxford portrays itself as little more than a passive order taker for customers who make their own investment decisions. In fact, Oxford customers can have their own "personal" brokers, and some of the brokers steer clients to specific stocks, especially stocks in which Oxford is a market maker, since the firm makes much bigger profits that way. (A market maker can sell out of its own inventory, rather than as a middleman between buyer and seller.) Brokers have every incentive to recommend such stocks because part of their compensation comes from the "spread"--the difference between the price paid by Oxford for the stock and the price charged to the customer. One of the stocks in which Oxford is a market maker is the controversial Hariston Corp.

Even if customers make their own decisions, there can be room for abuse. Former employees and customers say the firm sometimes overcharged for stocks through price-manipulation schemes. At least three disgruntled clients complained to state-securities regulators about such abuses; one of them claimed to have lost his life savings. Rubenstein, for his part, insists that Oxford's sales and trading practices are in line with industry standards and that there have been few customer complaints.

There's no question that Oxford brokers have recommended at least one speculative stock to their customers: Legacy Software. It's an obscure company in the Los Angeles area that develops edutainment software, and when it went public last May, JB Oxford arranged the deal. Edutainment is a promising area, but Legacy was in very poor financial shape. The tiny software developer had a record of losses, and its accountants said there was "a substantial doubt as to the company's ability to continue as a going concern." In plain English,

Time, December 9, 1996

Legacy was on the verge of bankruptcy.

Yet the deal was a major success for Legacy: the offer price of \$ 6 a share gave the struggling software house a market capitalization of more than \$ 14 million on a fully diluted basis. Perhaps the biggest winner was an obscure Monaco company called EBC Trust. Some months before the deal, EBC provided a loan to Legacy to keep it going, and is now one of the company's biggest single stockholders, with millions of dollars in paper profits.

Who's behind EBC? Legacy's prospectus states that EBC is owned by Monaco-based businessmen Michael Woolf and Richard MacLellan. TIME has learned that MacLellan is apparently no stranger to Irving Kott: the two men were co-defendants in a suit filed in California last year accusing them of having misappropriated shares of a Canadian company. (The suit was settled, and TIME has no evidence of wrongdoing by any of the defendants.)

Other co-defendants included Felix Oeri, Oxford's largest stockholder, and Financial Strategies International, a now defunct company that published a newsletter that often touted Kott-related stocks. (Oeri told TIME that he did not know he had been sued.) A former FSI employee, Ian Clay, worked for two Kott-connected boiler rooms in Europe. For the past two years, Clay has been working for JB Oxford.

It's likely that the most actively traded stock connected to Kott is not Legacy or even Hariston but JB Oxford Holdings. Trading volume has at times been extraordinarily high for a company of Oxford's size (\$ 39.6 million in revenues last year); there were times last year when Oxford was one of the most actively traded stocks on nasdaq's Small-Cap market.

To date, JB Oxford has never seen fit to inform its shareholders of the key role Kott plays at the company. Although most of Oxford's customers and stockholders are in the dark, U.S. securities regulators have known for years that Kott is connected to JB Oxford. When regulators have looked into the matter, Oxford has assured them that Kott is nothing more than a consultant.

Long before arriving at JB Oxford, Kott ran other brokerage firms by operating through front men. Authorities weren't fooled. In his native Quebec, for instance, regulators yanked the license of one brokerage, L.J. Forget, citing Kott as the secret mastermind. Dutch authorities came to the same conclusion about First Commerce. Kott-related bucket shops have also been shut down in Britain and Luxembourg. In the U.S., by contrast, by calling himself a consultant, Kott has an ongoing license to work his stock-market alchemy.

GRAPHIC: B/W PHOTO: ROBERT LEE--CP, GLOBE-TROTTERING FINANCIER: Irving Kott has been associated with bucket-shop closures in several countries; COLOR PHOTO, [Hand holding magnifying glass over photograph of Irving Kott]; COLOR PHOTO, [Footprints]; COLOR PHOTO: FRED GEORGE FOR TIME, [Hand holding magnifying glass over JB Oxford & Company logotype]

LANGUAGE: ENGLISH

LOAD-DATE: December 3, 1996

1ST STORY of Level 1 printed in FULL format.

Copyright 1995 The New York Times Company: Abstracts
Information Bank Abstracts
WALL STREET JOURNAL

May 3, 1995, Wednesday

SECTION: Section C; Page 1, Column 3

LENGTH: 75 words

HEADLINE: CONVICTED SWINDLER IS SECURITIES-FIRM CONSULTANT

BYLINE: BY JOHN R EMSHWILLER

JOURNAL-CODE: WSJ

ABSTRACT:

JB Oxford Holdings Inc, a publicly-traded company with a stock-brokerage unit, employs convicted swindler Irving Kott as marketing consultant; the firm, formerly known as RKS Financial Group Inc, is not required by securities law to make the facts about Kott public; Oxford says Kott and his firm, Turret Consultants, are paid a monthly retainer amounting to less than \$250,000 a year (M)

LANGUAGE: ENGLISH

LOAD-DATE: May 3, 1995

REPLY FORM - INVESTIGATIVE INFORMATION SERVICES

To help us better serve your investigative needs, please complete and return to:

FBI, Savannah Information Technology Center
220 East Bryan St., Savannah, GA 31401 (Federal Express)
P. O. Box 336, Savannah, Georgia 31402-0336 (U. S. Post Office)

SAVANNAH ITC RECORD #: 102398 UCFN: 196C-LA-208098
ANALYST: SUBJECT: IRVING ISRAEL KOTT

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Was the information provided helpful to your investigation? ☒ YES ☐ NO
If NO, please let us know how we could be more helpful to your investigation: _____

ACCOMPLISHMENT(S) resulting from information:

PERSON(S): (Enter total number applicable to each of the following)

_____ FBI Fugitive(s) Arrested: ☐ FBI ☐ Local Date _____

(Forward photo of Fugitive arrested with this Reply form)

_____ Local Fugitive(s) Arrested: ☐ FBI ☐ Local Date _____

(Forward photo of Fugitive arrested with this Reply form)

_____ Subject(s) ☐ Arrested ☐ Located ☐ Identified

(Forward photo of Subject arrested with this Reply form)

_____ Witness(es) ☐ Located ☐ Identified

☒ New Witness(es) ☒ Located ☒ Identified

BUSINESS(ES): (Enter total number applicable to each of the following)

_____ New Business(es) Identified

☒ New Business Associates/Associations Identified

_____ Financial Audit Trail(s) Enhanced

ASSET(S): (Enter total number applicable to each of the following)

(TYPES: C = CASH R = REAL PROPERTY P = PERSONAL PROPERTY)

_____ Asset(s) ☐ Located ☐ Identified [VALUE: _____ TYPE: _____]

_____ Asset(s) Subject to Seizure/Forfeiture [VALUE: _____ TYPE: _____]

_____ Potential Economic Loss Prevented [VALUE: _____ TYPE: _____]

OTHER: (Enter total number applicable to each of the following)

_____ New Case(s) Initiated

_____ New Lead(s) Generated

COMMENTS: _____

① - Case File
1 - SITC

196C-LA-208098-51

SEARCHED _____
INDEXED _____
SERIALIZED C
FILED C

SEARCHED _____	INDEXED _____
SERIALIZED _____	FILED _____
SEP 17 1997	
FBI-LOS ANGELES	

(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

Date: 9/19/97
Edition: Los Angeles Times

Title: 196C-LA-208098

Character: WCC-4
orClassification:
Submitting Office:

Indexing:

Los Angeles Times - 9/18/97

J.B. Oxford Terminates Relationship With Kott

J.B. Oxford Holdings Inc., the Beverly Hills brokerage firm, said Wednesday that it has terminated its consulting relationship with Irving Kott, a controversial figure who has had several run-ins with securities regulators and is the apparent target of a new federal probe. The company's chief executive, Stephen Rubenstein, said in a statement that J.B. Oxford's board of directors and Kott's consulting firm, **Turret Consultants Inc.**, have "mutually agreed to terminate their ad hoc consulting relationship immediately."

J.B. Oxford's offices in Beverly Hills and Basel, Switzerland, were raided by the FBI and by Swiss authorities, respectively, on Aug. 19. Documents were seized but no arrests were made. Authorities have refused to comment on the reason for the raid, but sources say the probe centers on Kott and potential stock manipulation.

Kott, once well-known as a stock promoter, has paid large fines in Canada and the Netherlands to settle securities fraud charges. He has been associated with J.B. Oxford since 1993, although the company has insisted his role has been as a consultant.

Asked whether Kott also has an ownership stake in the firm, a J.B. Oxford spokesman declined to comment, citing the federal probe.

J.B. Oxford also said Wednesday that it will hire an independent firm to review its operating procedures. The brokerage's shares rose 22 cents to \$1.16 Wednesday on Nasdaq.

—TOM PETRUNO

PX

RE

196C-LA-208098-52

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 19 1997	
FBI-LOS ANGELES	

(12/31/1995)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 09/22/1997

To: Los Angeles

Attn: [REDACTED]

Financial Manager

From: Los Angeles

Contact: [REDACTED]

Approved By: [REDACTED] *pet/pmr*

Drafted By: [REDACTED] *rt*

Case ID #: 196C-LA-208098 (Pending)

Title: IRVING KOTT; dba
J.B. OXFORD;

Synopsis: Request assistance of Financial Analysts.

Enclosure: Union Bank of California bank statements for Turret Consultants Incorporated.

Summary of Case: This case involves the investigation of an alleged ongoing scheme to manipulate the prices of certain securities listed on the NASDAQ securities exchange by a Securities Exchange Commission (SEC) registered securities broker-dealer operating in Beverly Hills. The broker-dealer, J.B. Oxford, appears to operate under the direction of an undisclosed principal, Irving Kott. Kott allegedly uses J.B. Oxford to manipulate the prices of stock, in which Kott has a hidden ownership interest. He then profits by selling his interest at the inflated price.

Details: SA [REDACTED] requests that Financial Analysts assist in case 196C-LA-208098 by creating a schedule of bank statements, canceled checks, and deposit items for the enclosed bank account.

- 5 - Los Angeles
- ① - 66F-8179
- 1 - Case Agent
- 1 - Financial Analyst
- 1 - Financial Analyst Work File
- ① - Case File 196C-LA-208098

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SEARCHED	INDEXED
SERIALIZED	FILED
SEP 22 1997	
FBI - LOS ANGELES	

196C-LA-208098-53

(12/31/1995)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 09/19/1997

To: Los Angeles

From: [redacted]

Contact: SSA [redacted]

Approved By: [redacted] *Dea*

Drafted By: [redacted] pah

Case ID #: 196C-LA-208098 (Pending)

Title: IRVING KOTT;
dba J.B. OXFORD;
et al;
MF; MONEY LAUNDERING;
SECURITIES FRAUD

Synopsis: Recognition of participants in 08/19/1997 searches.

Details: On 08/19/1997, FBI agents and support employees from LAFO, Seattle Division and FBIHQ, together with U.S. Postal Inspection personnel, searched the offices of J.B. Oxford and the residence of Irving Kott. This was a unique and difficult situation in that it was necessary to conduct the search of J.B. Oxford's offices while allowing the firm to continue operating. Thanks to the efforts of all who participated, the search was successfully conducted without incident.

The assistance provided by all those who participated during the searches was greatly appreciated and all participants are to be commended.

The following is a list of the personnel that assisted with the J.B. Oxford and Irving Kott searches:

[redacted]
[redacted]
[redacted]
[redacted]
[redacted]

196C-LA-208098-54

SEARCHED	INDEXED
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SEP 24 1997	
FBI-LOS ANGELES	

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To: Los Angeles From: [redacted]
Re: 196C-LA-208098, 09/19/1997

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To: Los Angeles From: [REDACTED]
Re: 196C-LA-208098, 09/19/1997

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To: Los Angeles From: [REDACTED]
Re: 196C-LA-208098, 09/19/1997

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FORFEITURES:

[REDACTED]

WEST COVINA RA:

[REDACTED]

SEATTLE DIVISION:

[REDACTED]

C.A.R.T. TEAM:

[REDACTED] (FBIHQ)
[REDACTED] (FBIHQ)
[REDACTED] (FBIHQ)

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PHOTOGRAPHERS:

[REDACTED]

CC:

1 - [REDACTED] Supervisor
1 - SA [REDACTED]
1 - [REDACTED] Supervisor
1 - SA [REDACTED]
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To: Los Angeles From: [redacted]
Re: 196C-LA-208098, 09/19/1997

- 1 - SA [redacted]
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- 1 - [redacted] Supervisor
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To: Los Angeles From: [redacted]
Re: 196C-LA-208098, 09/19/1997

1 - SA [redacted]
1 - SA [redacted]
1 - SA [redacted]
1 - SA [redacted]
1 - SA [redacted]
1 - WCRB Supervisor
1 - SA [redacted]
1 - SA [redacted]
1 - SA [redacted]
1 - [redacted] - FBIHQ (C.A.R.T.)
1 - [redacted] - FBIHQ (C.A.R.T.)
1 - [redacted] - FBIHQ (C.A.R.T.)
1 - [redacted] - Photographer
1 - [redacted] - Photographer

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(12/31/1995)

FEDERAL BUREAU OF INVESTIGATION

(Handwritten mark: a circle with an 'X' and the letters 'rt' next to it)

Precedence: ROUTINE

Date: 09/23/1997

To: Dallas

From: Los Angeles

Contact: [Redacted]

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b7C

Approved By: [Redacted] *(Handwritten initials 'rt' next to the redacted box)*

Drafted By: [Redacted] rt

Case ID #: 196C-LA-208098 (Pending)

Title: IRVING KOTT;
dba J.B. OXFORD;
et al;
MF; MONEY LAUNDERING;
SECURITIES FRAUD

Synopsis: Lead set to obtain court documents.

Details: This case involves the investigation of an alleged ongoing scheme to manipulate the prices of certain securities listed on the NASDAQ securities exchange by a Securities Exchange Commission (SEC) registered securities broker-dealer operating in Beverly Hills. The broker-dealer, J.B. Oxford, appears to operate under the direction of an undisclosed principal, Irving Kott. Kott allegedly uses J.B. Oxford to manipulate the prices of stock, in which Kott has a hidden ownership interest. He then profits by selling his interest at the inflated price.

Kott was convicted of stock fraud in Canada in 1976 and has since had problems with securities regulators in Europe. In Kott's largest fraud, Kott's brokerage customers lost as much as \$400 million.

Los Angeles is seeking to obtain a court pleading from Court 348 in Tarrant County. The pleading has several exhibits, one of which is a transcript of a tape recording that contains information that is useful to the Los Angeles case.

196C-LA-208098-55

SEARCHED —
INDEXED —
SERIALIZED *(Handwritten mark: a circle with a checkmark)*
FILED *(Handwritten mark: a circle with a checkmark)*

To: Dallas From: Los Angeles
Re: 196C-LA-208098

LEAD (s):

Set Lead 1:

DALLAS

AT FORT WORTH


Will obtain a certified copy of the Court Docket and a court pleading for the case titled [redacted] v. [redacted]

[redacted] Case # [redacted] The Docket and pleading can be obtained from the Clerk of the court for Court 348 for Tarrant County, 401 West Belknap, Fort Worth, Texas, telephone number 817-884-2902.

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The pleading requested is dated 04/01/1997, called a Motion to Amend Temporary Restraining Order. The pleading has several exhibits, one of which is a transcript of a tape recording that contains information that is useful to the Los Angeles case. All exhibits attached to the pleading should be obtained.

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SERIAL NUMBER	YEAR, MONTH, DAY	POST OFFICE	U.S. DOLLARS AND CENTS
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Thomas A. Wilder
 DISTRICT CLERK
 Tarrant County, Texas

3-30052640 Tue Nov 18, 1997
 02:58 PM

Qty Description	Total
87 Cert Copies-348-168371-97	87.00
	=====
Grand Total	87.00

Received of
 T. GLEN GOTHARD

Total due for current items:	87.00
Paid cash:	90.00
	=====
Change	3.00

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220 East Bryan St., Savannah, GA 31401 (Federal Express)
P. O. Box 336, Savannah, Georgia 31402-0336 (U. S. Post Office)

SAVANNAH ITC RECORD #: 102395-102396 UCFN: 196C-LA-208098
ANALYST: [REDACTED] SUBJECT: [REDACTED]

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Was the information provided helpful to your investigation? ☒ YES ☐ NO
If NO, please let us know how we could be more helpful to your investigation: _____

ACCOMPLISHMENT(S) resulting from information:

PERSON(S): (Enter total number applicable to each of the following)

_____ FBI Fugitive(s) Arrested: ☐ FBI ☐ Local Date _____

(Forward photo of Fugitive arrested with this Reply form)

_____ Local Fugitive(s) Arrested: ☐ FBI ☐ Local Date _____

(Forward photo of Fugitive arrested with this Reply form)

_____ Subject(s) ☐ Arrested ☐ Located ☐ Identified

(Forward photo of Subject arrested with this Reply form)

☒ Witness(es) ☒ Located ☐ Identified

_____ New Witness(es) ☐ Located ☐ Identified

BUSINESS(ES): (Enter total number applicable to each of the following)

_____ New Business(es) Identified

_____ New Business Associates/Associations Identified

_____ Financial Audit Trail(s) Enhanced

ASSET(S): (Enter total number applicable to each of the following)

(TYPES: C = CASH R = REAL PROPERTY P = PERSONAL PROPERTY)

_____ Asset(s) ☐ Located ☐ Identified [VALUE: _____ TYPE: _____]

_____ Asset(s) Subject to Seizure/Forfeiture [VALUE: _____ TYPE: _____]

_____ Potential Economic Loss Prevented [VALUE: _____ TYPE: _____]

OTHER: (Enter total number applicable to each of the following)

_____ New Case(s) Initiated

_____ New Lead(s) Generated

COMMENTS: _____

- ① - Case File
1 - SITC (COMPLETE AND RETURN PURPLE COPY)

196C-LA-208098-BL

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 1 1997	
FBI-LOS ANGELES	

196C - LA - 208095-57

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI - LOS ANGELES	

Interoffice
MEMORANDUM

to: ADIC, LOS ANGELES (196C-LA-208098)
from: SA [REDACTED]
subject: IRVING KOTT,
DBA J.B. OXFORD HOLDINGS;
SECURITIES FRAUD

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b7C

date: 8/22/97

On AUGUST 21, 1997, the Los Angeles Special Operations Group (SOG) conducted a physical surveillance in support of captioned investigation.

Target: [REDACTED] Shift assigned: 2P-10P

Target observed yes/no

Photos/video taken by SA _____

Summary of surveillance: UNABLE TO LOCATE TARGET [REDACTED] AT

b6
b7C

J.B. OXFORD HOLDINGS, 9665 WILSHIRE BLVD., OR AT HER RESIDENCE, [REDACTED]

[REDACTED] TWO VEHICLES WERE OBSERVED LEAVING THE RESIDENCE AT [REDACTED]

ALSO OBSERVED ARRIVING AND DEPARTING WAS A [REDACTED]

THIS VEHICLE WAS OCCUPIED BY [REDACTED] AND [REDACTED] (NOT TARGET)

SOG RECOMMENDATION: _____

SOG ADMINISTRATIVE INFO

List number of accomplishments for each category:

New subjects/associates 6 New vehicles 2
New locations 6 Potential sources identified 6
Include source memo for each identified.
Other (recoveries, arrests, etc.) _____

Personnel involved

[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]

b6
b7C

1 - File 196C-LA-208098

1 - 66I-LA-179165 SUB B

1 - IS-2 Surveillance Coordinator *LSM*

REVISED: 1/31/97

DATE AUGUST 21, 1997

DAY THURSDAY

PHYSICAL SURVEILLANCE LOG

SURVEILLANCE REGARDING

INSTITUTED AT

CONDUCTED BY SPECIAL AGENTS OF THE FBI

b6
b7C

INITIALS	TIME
2	1

OBSERVATIONS

2 45 P	SURVEILLANCE BEGINS	NO VEHICLES ABLE TO
	BE OBSERVED. CHECK AT 9665 WILSHIRE BLVD., BEVERLY HILLS NEGATIVE	
4 56 P	FOR	(BELIEVED TO BE
6 26 P	ENTERS FRONT GATE.	b6 b7C
6 56 P	DEPARTS -	
	DRIVEN BY	PASSENGER
	(NOT	
7 50 P	SURVEILLANCE TERMINATED	
SA	FBI, LA, CA RAB	
SA	BI, LA, CA, UNS	
SA	BI LA/CA RAB	
SA	FBI, LA, CA RAB	
SA	BI, LA, CA RAB	

196C-LA-208093-5B

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 23 1997	
FBI - LOS ANGELES	

MTS

interoffice
M E M O R A N D U M

to: ADIC, LOS ANGELES (196 C-4A-208098)
from: *ez* SA [redacted]
subject: IRVING KOTT
dba J.B. OXFORD HOLDING INC;
Securities Fraud
OO: LA
date: 8/25/97

b6
b7C

On 8-22-97, the Los Angeles Special Operations Group (SOG) conducted a physical surveillance in support of captioned investigation.

Target: [redacted] Shift assigned: 8⁰⁰A - 4⁰⁰P

Target observed (yes)/no

Photos/video taken by SA

Summary of surveillance:

[redacted] arrived at [redacted]

[redacted] departed a short time later and parked at the Beverly Wilshire Regent Hotel. A short time later [redacted] departed with a male passenger, who appeared to be IRVING KOTT and the returned to the [redacted]
[redacted] No further movement observed.

SOG RECOMMENDATION: None

SOG ADMINISTRATIVE INFO

List number of accomplishments for each category:

New subjects/associates 0 New vehicles 0
New locations 0 Potential sources identified 0
Include source memo for each identified.
Other (recoveries, arrests, etc.)

Personnel involved

[redacted] ✓ [redacted] ✓ [redacted] ✓

b6
b7C

- 1 - File (196 C-4A-208098)
- 1 - 66I-LA-179165 SUB B
- 1 - IS-2 Surveillance Coordinator *DEM*

REVISED: 1/31/97

DATE 8-22-97DAY Friday

PHYSICAL SURVEILLANCE LOG

SURVEILLANCE REGARDING [REDACTED]

INSTITUTED AT [REDACTED]

CONDUCTED BY

SOG

INITIALS TIME

OBSERVATIONS

b6

b7C

<u>RB</u>	<u>7³⁰A</u>	Physical surveillance established in the vicinity of Target's residence [REDACTED]
<u>RB</u>	<u>9⁵⁰A</u>	Advised by radio that a dark vehicle and 2 nd vehicle are parked under the carport of Target residence.
<u>RB</u>	<u>12⁴⁸P</u>	[REDACTED] arrived at residence driven by Target [REDACTED]
<u>RB</u>	<u>12⁵²P</u>	[REDACTED] departed in the [REDACTED]
<u>RB</u>	<u>1⁰⁸P</u>	[REDACTED] parked at valet parking of the Beverly Wilshire Regent Hotel, at El Camino just South of Wilshire Blvd, Beverly Hills, and departed.
<u>RB</u>	<u>1³¹P</u>	[REDACTED] returned to [REDACTED] put items in the trunk and departed with a male passenger who appeared to be IRVING KOTT.
<u>RB</u>	<u>1⁴⁷P</u>	Arrived at [REDACTED]
<u>RB</u>	<u>1⁵²P</u>	[REDACTED] exited gate, obtained mail from mail box and returned.
<u>RB</u>	<u>2⁵⁸P</u>	Surveillance discontinued.
<u>SA</u>		FBI, LA, CA CTS
<u>SA</u>		FBI, LA, CA CTS
<u>SA</u>		FBI, LA, CA CTS
<u>SA</u>		FBI, LA, CA CTS
<u>SA</u>		FBI, LA, CA CTS
<u>SA</u>		FBI, LA, CA CTS

b6

b7C

191A - CH - 000018 - 60

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 6 1997	
FBI-LOS ANGELES	

(12/31/1995)

FEDERAL BUREAU OF INVESTIGATION

Precedence: PRIORITY

Date: 10/07/1997

To: Los Angeles

Attn: ASAC [redacted]
ASAC [redacted]

b6
b7C

From: Los Angeles

Contact: SA [redacted]

Approved By: [redacted]

Drafted By: [redacted] jnl

Case ID #: 196A-LA-208098 (Pending)

Title: IRVING KOTT;
dba J. B. OXFORD; ET AL.;
MF; MONEY LAUNDERING;
SECURITIES FRAUD

Synopsis: Request authority to expend division funds to convert data from tape to other media.

Administrative: Purpose of this communication is to request authority to engage an outside firm to [redacted]

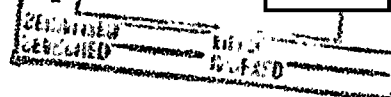
b7E

[redacted] Anticipated cost is approximately \$1200.

OTHER Per Sealing Order

Details: On 8/19/97, a search warrant was executed at the offices of subject company. One of the objects of the search was

FBIHQ provided the name [redacted] Federal Accounts Manager for Ontrack in Minnesota, phone 1-800-872-2599. They contacted [redacted]



b6
b7C

To: Los Angeles From: Los Angeles
Re: 196A-LA-208098, 10/07/1997

and were advised that it will cost \$111 to perform [REDACTED]

[REDACTED]

[REDACTED]

b6
b7C
b7E

It is requested that authority be granted to expend funds from Los Angeles' "Other, Commercial Services" account to cover the cost of [REDACTED]

[REDACTED]

♦♦

1. Classification

☐ (AC) Criminal Case
☐ (AD) Criminal OCDETF Case
☐ (AF) FCI Case
☐ (BC) Informant/CW
☐ (BD) Informant/CW Providing Drug info.

☐ (CF) Asset
☐ (DC) Group II UCO
☐ (DD) OCDETF Group II
☐ (E) Group I
☐ (F) FCI UCO

☐ (G) SOG
☐ (H) OPS
☐ (IC) Air Operation
☐ (H) SSG
☐ (J) FCI Lookout

Draft Request

2. Date

3. Request for: () Advance () Expense

4. Social Security No:

5. Payee Name:

6. File No:

16. Cat	Item No	7. Description	8. Amount
01			
02			
03			
04			
05			
06			
07			

9. Total \$

10. Justification:

Asset/Informant File No.

Symbol No.

Payment/Code Name

Period Covered to

One Time Non-symbol Source Payment:

True Name:

DOB:

SSAN:

Date of Waiver: / /

11. Payment for reimbursable expense - forfeiture or drug related? Yes No

12. Requested by:

13. Telephone No:

14.

Approval

Date

Supervisor Initials:

SAC / ASAC / AO / SAS Approval:

Supply Technician Approval:

Draft Approval Officer:

Procurement Authorization:

No.

15. Vendor No.

Group No.

17. Obligation No.

18. Cost Center:

19. Squad/RA:

20. Follow-up Date:

21. Document No.

22. CONF COMM

23. Draft No:

24. Date:

25. Cashier:

26. Settlement of Advance: Prior month Advance Balance: \$

This Advance: \$

Less: Receipts: \$

Funds Returned and/or Cash on Hand: \$

Amount to be Reimbursed: \$

Serialize

Index

File

Search

27. Document No.

28. Draft No:

29. Date:

30. Cashier:

Shaded areas for draft office use only

Classification:

Classified By:

Declassify on:

Blue Copy - Administrative/Case File

196c-LA-208098-4

DRAFT REQUEST FORM INSTRUCTIONS

REQUESTING EMPLOYEE- Complete blocks 1 to 13 as follows:

- 1 - Enter Budget Category Classification to which expenses will be charged.
- 2 - Current date.
- 3 - Check the box to indicate if this request is for an advance of funds or for payment of an expense.
- 4 - Your Social Security Account Number.
- 5 - The name of the person or company that should appear on the check.
- 6 - The substantive file number, or the file number of the case benefitted by a payment to an informant, asset or cooperative witness. (If more than one case, see No. 10 below)
- 7 - Brief description of the type of expense to be paid.
- 8 - Amount requested for each type of expense.
- 9 - Total amount requested.
- 10 - Enter a brief justification for expense or advance requested. Indicate multiple cases benefitted by asset/information/CW payment if applicable. **For Field Office Use Only:** A justification memorandum must be completed for informant/asset/CW expenses and placed in the applicable informant/asset/CW file, maintained in the field office.
- 11 - Check the proper answer to indicate if the requested expense is reimbursable as asset forfeiture related or as a payment for drug information.
- 12 - Your name.
- 13 - Your telephone number or extension.

APPROVAL:

- 14 - Each request should be reviewed by the employee's direct supervisor, who should initial the form to indicate review. Confidential expenses must be approved by signature of an ASAC or above. Expense/Advance requests for the purchase of supplies or equipment must be approved by the Supply Technician prior to payment. Commercial expenses must be approved by signature of an AOSM or above prior to payment. The Draft Approval Officer may approve commercial expenses under \$50.00. Indicate the name of the FBIHQ procurement officer and telephonic authorization number (T- number), if appropriate. All advances and expenses must be approved by the Draft Approval Officer, who will complete the following parts of this form:

APPROVAL OFFICER:

- 15 - Vendor Number and Vendor Group Number.
- 16 - Classify the expense using Catalog Number (CAT) and Item Number.
- 17 - Obligation number if an advance is issued.
- 18 - Your cost center.
- 19 - Squad/RA code, if applicable.
- 20 - Follow-up date for advance liquidation.

DRAFT CASHIER:

- 21 - Document Number assigned to this transaction.
- 22 - Check if this transaction is confidential (CONF) or commercial (COMM).
- 23 - Draft Number.
- 24 - Date issued.
- 25 - Cashier initials.
- 26 - Enter advance settlement information when receipts are presented and the matching expense transaction is entered. If a supplemental draft is issued, complete blocks 27 to 30.
- 27 - Document Number issued to this transaction.
- 28 - Draft Number.
- 29 - Date issued.
- 30 - Cashier initials.

(12/31/1995)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 12/18/1997

To: Los Angeles

Attn: [REDACTED]

✓ From: Los Angeles

Contact: SA [REDACTED]

Approved By: [REDACTED]

Drafted By: [REDACTED]

sag [REDACTED]

Case ID #: 196C-LA-208098 (Pending)

Title: IRVING KOTT, dba
J.B. OXFORD; ET AL
SECURITIES FRAUD

Synopsis: To set lead for LA CART Team to review computer data

OTHER Per Sealing Order

Details: [REDACTED]

196C-LA-208098-62

SEARCHED	INDEXED
SERIALIZED	FILED
DEC 18 1997	
FBI-LOS ANGELES	

To: Los Angeles From: Los Angeles
Re: 196C-LA-208098, 12/18/1997

LEAD (s):

Set Lead 1:

LOS ANGELES

AT LOS ANGELES

OTHER Per Sealing Order

Request LA CART Agents to review the computer related
items obtained [REDACTED]

(12/31/1995)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 12/12/1997

b6
b7C

✓To: Los Angeles

Attn: [REDACTED]

From: Dallas

Contact: FA [REDACTED]

Approved By: [REDACTED]

Drafted By: [REDACTED]

tgg *8/15*

Case ID #: 196C-LA-208098⁻⁶³ (Pending)

Title: IRVING KOTT;
dba J.B. OXFORD;
et al;
MF; MONEY LAUNDERING;
SECURITIES FRAUD

Synopsis: Lead to Dallas to obtain a certified copy of the Court Docket and a court pleading.

Enclosures: *1* Enclosed for Los Angeles is the certified copy of the Court Docket and a certified copy of the court pleading called a Motion to Amend Temporary Restraining Order with several exhibits, dated 04/01/97.

Details: Dallas lead at Fort Worth is covered.

♦♦

196C-LA-208098-63

SEARCHED	INDEXED
SERIALIZED <i>Ans</i>	FILED <i>Ans</i>
DEC 31 1997	
FBI-LOS ANGELES	

DEC 24 1997
1 PM
1000-4 CS

LA.EC

(12/31/1995)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 01/06/1998

To: Los Angeles

From: Boston

Contact: SA [redacted]

Approved By: [redacted]

Drafted By: [redacted]

Case ID #: 196C-BS-C67239 (Pending)

Title: IRVING KOTT,
DBA J.B. OXFORD;
SECURITIES FRAUD

Synopsis: Information for the Los Angeles Division concerning
IRVING KOTT dba J.B. OXFORD.

Enclosures: *✓* Enclosed for Los Angeles Division is an FD-302 of
[redacted]

Details: Attached is an FD-302 of [redacted] former manager
of the Boston Office of J.B. OXFORD. Boston does not anticipate
opening an investigation based upon this information at this
time. Therefore, this FD-302 is being provided to the Los
Angeles Division for any action that Los Angeles deems
appropriate.

♦♦

CPI - SPA
Rea

b6
b7C

1/9/98
Review and file -
transmit cc
please

196C-7LA-208098-64

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 8 1998	
FBI-LOS ANGELES	

JAN 8: RECD
WKC-4
DL

JB Oxford Seeking

a Partner

(Below)

Beverly Hills Brokerage Is Subject of Federal Probe

HEARD ON THE BEAT
INVESTMENT BANKING

By DEBORA VRANA
TIMES STAFF WRITER

JB Oxford Holdings Inc., the beleaguered Beverly Hills discount brokerage firm currently under investigation by federal authorities, has been looking for a buyer or a partner, sources said.

But JB Oxford executives said Monday that there are no imminent deals.

"The board is not currently considering any offers for the company," said Stephen Rubenstein, chairman and chief executive officer of JB Oxford.

Still, sources say the publicly traded firm has searched for new shareholders or a merger partner in the wake of continuing investigations by the Securities and Exchange Commission and the U.S. attorney's office. Neither would comment on the status of any investigation.

Possible acquirers include a group of Asian or European investors, sources said.

Last fall, Los Angeles financier Wayne Rogers, who portrayed Trapper John on the television show "MASH," brought the brokerage firm to the attention of another Los Angeles investment bank.

"He tried to show it to us, but they are more equity-oriented and we are more debt," said Jason W. Reese, president of Beverly Hills-based Imperial Capital, a subsidiary of Imperial Credit, a publicly traded diversified financial services company. The company's board decided not to pursue an acquisition after discussion at a board meeting. "It wasn't a good business fit," said Reese.

Rogers, who confirmed he owns a small amount (less than 1%) of JB Oxford's outstanding shares, appeared in television commercials in 1997 advertising JB Oxford's brokerage services. He is not under contract to be JB Oxford's investment banker,

company officials said.

Rogers was once affiliated with **Dabney Resnick Inc.**, the predecessor to Imperial Capital and once had his own office in Dabney Resnick's offices.

The investigation into JB Oxford centers on the activities of its consultant Irving Kott, a convicted securities swindler. The company said it terminated its consulting arrangement with Kott in September 1997. His son, Ian Kott, is currently the company's chief operating officer.

On Aug. 19, FBI agents raided JB Oxford's Beverly Hills office and seized boxes of files. JB Oxford executives say they are cooperating with the investigations.

A purchase of a JB Oxford stake by Asian investors would fit with the brokerage's recent strategy to target the growing Asian populations of Los Angeles and other major cities. In Southern California, the firm has

launched advertising campaigns in Chinese, Korean and Japanese to appeal to investors who want to pay the lowest commissions when they buy and sell stock. It also added brokers who speak those languages.

Two years ago, JB Oxford discussed a joint venture with one of Taiwan's largest broker-dealers.

JB Oxford's stock has taken a beating in recent months, in part because of the investigations. JB Oxford shares rose 3 cents to 75 cents a share on Nasdaq on Monday. The stock has fallen from a 52-week high of \$2.56.

All in the Family

Gary Wedbush, the 33-year-old son of Edward Wedbush, founder of **Wedbush Morgan Securities**, has joined the firm in its Los Angeles headquarters as manager of the trading division.

Most recently, the younger

Wedbush was director of convertible securities for **Nations-Banc Montgomery Securities**. While still in high school Wedbush worked one summer in the mail room at his father's firm and said he was especially drawn to the trading floor.

"I feel so lucky that my father is in this business. I enjoy working with my father and brother even if we are pulling weeds," Wedbush said.

Another of Edward Wedbush's sons, Eric Wedbush, will be joining the firm this summer. And Alfred E. Osborne, director of the Price Center of Entrepreneurial Studies at the Anderson School at UCLA, who sits on boards of Times Mirror Co. and U.S. Filter Corp., just joined the board of Wedbush Morgan's parent company. Can a public offering be far away?

Debora Vrana can be reached at
debora.vrana@latimes.com

Los Angeles Times

(Indicate page, name of newspaper, city and state.)

B2

Date: 3-3-98

Edition:

196C-LA-208098

Title:

IRVING KOTT, d/b/a
JB OXFORD -

Character:

or

Classification:

Submitting Office: LOS ANGELES

Indexing:

MTS

196C-LA-208098-25

ONLY

\$20

JB

www.jboxford.com

JB OXFORD 800-656-1776

DOW

▲ 9.07

ADT DEC 125 MICH AT VOL OF

Wayne Rogers, a former star of "MASH," appeared in JB Oxford commercials last year.

196C-LA-208098-666 ^(X)
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(01/26/1998)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 07/27/1998

To: Los Angeles

From: Los Angeles

Contact: SA [REDACTED]

Approved By: [REDACTED]

b6
b7C

Drafted By: [REDACTED]

Case ID #: 196C-LA-208098 (Pending)

Title: IRVING KOTT, dba
J B OXFORD;
ET AL;
SECURITIES FRAUD

b6
b7C
b7E
OTHER Per Sealing Order

Synopsis: Request to purchase [REDACTED]

Details: [REDACTED]

Investigating Agent learned that the Los Angeles
Technical Services Squad, Headquarters and Quantico do not have
[REDACTED]

On July 27, 1997, Investigating Agent telephonically
spoke with [REDACTED] of [REDACTED]
[REDACTED] advised the cost of [REDACTED] is \$307.00
plus tax. [REDACTED] also advised that the Bureau has an account
with [REDACTED]

It is requested that case agent be allowed to purchase
a [REDACTED] in order to [REDACTED]
[REDACTED]

♦♦

208a/hc03, EC

196C-LA-208098-62

196C-LA-208098-468
(X)
D

msd

(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

Date: 3/3/98
Edition: LA Times

Title:

Character:

or

Classification:

Submitting Office:

Indexing:

b7E

LA Times 3/3/98

JB Oxford Seeking a Partner

Beverly Hills Brokerage Is Subject of Federal Probe

HEARD ON THE BEAT
INVESTMENT BANKING

By DEBORA VRANA
TIMES STAFF WRITER

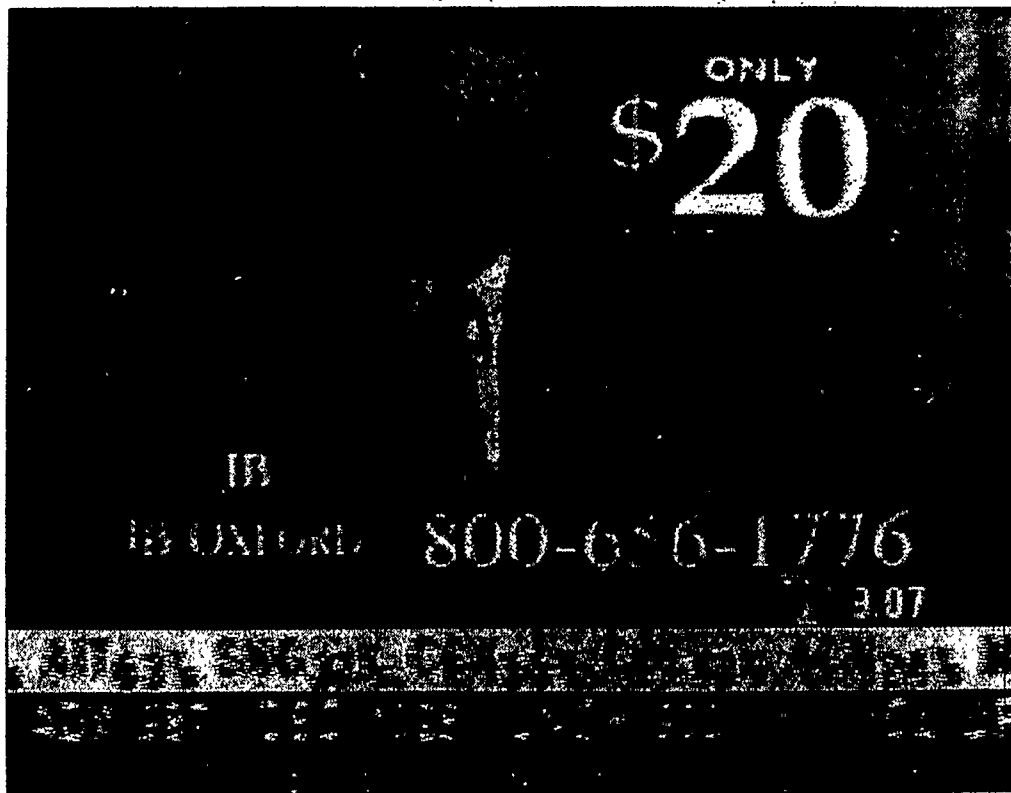
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"The board is not currently considering any offers for the company," said Stephen Rubenstein, chairman and chief executive officer of JB Oxford.

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Debora Vrana can be reached at debora.vrana@latimes.com

1
196C-LA-20809R-69

(X)

+

MTA

+

(01/26/1998)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 07/15/1998

To: Los Angeles

Attn: SA [REDACTED]

From: Los Angeles

Contact: FA [REDACTED]

b6
b7C

Approved By: [REDACTED]

Drafted By: [REDACTED] :jsf

Case ID #: 196C-LA-208098 (Pending)

Title: IRVING KOTT; DBA
J.B. OXFORD

Synopsis: Request for reassignment of lead for FA.

Details: FA [REDACTED] has been reassigned to squad [REDACTED]
[REDACTED] and due to current case assignments for squad [REDACTED] requests
that the Financial Analysis assignment for 196C-LA-208098 be
reassigned.

b6
b7C

CC: ① - 66F-8179

- 1 - SA [REDACTED]
- 1 - FA [REDACTED]
- 1 - Financial Analyst Workfile
- 1 - 196C-LA-208098
- 1 - SSA [REDACTED]

♦♦

Reassign FA
[REDACTED]
8-17-98
JSF

SW 196C-LA-208098-70
70

(01/26/1998)

FEDERAL BUREAU OF INVESTIGATION

Precedence: PRIORITY

Date: 09/14/1998

To: Los Angeles

Attn: ASAC
ASAC

From: Los Angeles

Contact: SA

Approved By:

Drafted By:

dbm

Case ID #: 196A-LA-⁻²⁰⁸⁰⁹⁸~~208908~~ (Pending)

Title: IRVING KOTT;
dba J. B. OXFORD;
ET AL.;
MF; MONNEY LAUNDERING;
SECURITIES FRAUD

OTHER Per Sealing Order

Synopsis: Request authority to expend division funds

Administrative: Purpose of his communication is to request
authority to engage an outside firm

Details: On 8/19/97, a search warrant was executed at the
offices of subject company.

b6
b7C

(X)
h

196A-LA-208098-71

D

see on file
9/25/98

To: Los Angeles From: Los Angeles
Re: 196A-LA-208908, 09/14/1998

[Redacted]

OTHER Per Sealing Order

[Redacted]

[Redacted]

[Redacted]

It is requested that authority be granted to expend OTHER Per Sealing Order
funds from Los Angeles' "Other, Commercial Services" account to
have [Redacted]

[Redacted]

♦♦

(01/26/1998)

FEDERAL BUREAU OF INVESTIGATION

Precedence: PRIORITY

Date: 10/09/1998

To: New York

From: Los Angeles

Contact: SA [REDACTED]

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b7C

Approved By: [REDACTED]

Drafted By: [REDACTED] chs

Case ID #: 196C-LA-208098 (Pending)

Title: IRVING KOTT;
dba J. B. OXFORD;
ET AL.;
MF; MONEY LAUNDERING;
SECURITIES FRAUD

(X)
CHS

Synopsis: Request service of Federal Grand Jury subpoena.

Enclosures: For the New York Division are the original and two
copies of a Federal Grand Jury subpoena for [REDACTED]

OTHER Per Sealing Order

Details: New York Division is requested to serve the enclosed
Federal Grand Jury subpoena to [REDACTED]

282CHS02.S0B

196C-LA-208098-172

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To: New York From: Los Angeles
Re: 196C-LA-208098, 10/09/1998

LEAD (s):

Set Lead 1:

NEW YORK

AT NEW YORK, NEW YORK

OTHER Per Sealing Order

Serve Federal Grand Jury subpoena to



♦♦

(01/26/1998)

FEDERAL BUREAU OF INVESTIGATION

Precedence: PRIORITY

Date: 10/28/1998

To: Chicago
Dallas

From: Los Angeles

Contact: SA [redacted]

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Approved By: [redacted]

Drafted By: [redacted] chs

Case ID #: 196C-LA-208098 (Pending)

Title: IRVING KOTT;
dba J.B. OXFORD;
ET AL;
MF; MONEY LAUNDERING;
SECURITIES FRAUD;

Synopsis: Request service of Federal Grand Jury Subpoenas.

Enclosures: For the Chicago Division are the originals and one copy each of four Federal Grand Jury subpoenas for [redacted]

OTHER Per Sealing Order

For the Dallas Division are the originals and one copy each of four Federal Grand Jury subpoenas for [redacted]

Details: Chicago Division is requested to serve the enclosed four Federal Grand Jury subpoenas to [redacted]

Dallas Division is requested to serve the enclosed four Federal Grand Jury subpoenas to [redacted]

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Designate
SA [redacted] CO - case agent
10/28

196C-LA-208098-73

MTS

CHS

301CHS01.EC

To: Chicago From: Los Angeles
Re: 196C-LA-208098, 10/28/1998

LEAD (s):

Set Lead 1:

CHICAGO

AT CHICAGO, ILLINOIS

Serve four Federal Grand Jury subpoenas to [REDACTED]

Set Lead 2:

DALLAS

OTHER Per Sealing Order

AT ALLEN, TEXAS

Serve four Federal Grand Jury subpoenas to [REDACTED]

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- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/27/98

[REDACTED]

[REDACTED] accepted service of subpoena pertaining to
the Requested Items which are requested in the attached Rider.

OTHER Per Sealing Order

Investigation on 10/21/98 at NEW YORK, NEW YORK

File # 196C-LA-208098 - 174 Date dictated 10/27/98

by IA [REDACTED] /kmk

(01/26/1998)

NCC-4

FEDERAL BUREAU OF INVESTIGATION

Precedence: PRIORITY

Date: 10/27/1998

To: Los Angeles

Attn: SA [redacted]
[redacted]

1 DS 1 TS From: New York
[redacted]

Contact: [redacted]

Approved By: [redacted]

Drafted By: [redacted] kmk

Case ID #: 196C-LA-208098 (Pending) -75

Title: IRVING KOTT;
dba J. B. OXFORD;
ET AL.;
MF; MONEY LAUNDERING;
SECURITIES FRAUD

OTHER per sealing order

Synopsis: The results of the servicing of [redacted]
Federal Grand Jury Subpoena.

Reference: 196C-LA-208098 Serial 72

Enclosures: The original served [redacted] Federal Grand
Jury Subpoena and the Original and three copies of the FD-302
pertaining to its service. 10-FC.

Details: [redacted]
[redacted]

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[redacted] MTS
[redacted] CAS

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NOV 03 REC'D

196C-LA-208098-75 D

Routing Slip
FD-4 (Rev. 8-8-89)

To: ☐ Director

Att.: _____

Date 11/13/98

FILE # 196C-LA-208098

Title Kott, Irving

☐ SAC
☐ ASAC
☐ Supv.
☐ Agent
☐ OSM
☒ Rotor # Bettie
☐ Steno
☐ Typist
☐ M
Room _____

RE: _____

<input type="checkbox"/> Acknowledge	<input type="checkbox"/> For Information	<input type="checkbox"/> Return assignment card
<input type="checkbox"/> Assign <input type="checkbox"/> Reassign	<input type="checkbox"/> Handle	<input type="checkbox"/> Return file <input type="checkbox"/> serial
<input type="checkbox"/> Bring file	<input type="checkbox"/> Initial & return	<input type="checkbox"/> Return with action taken
<input type="checkbox"/> Call me	<input type="checkbox"/> Leads need attention	<input type="checkbox"/> Return with explanation
<input type="checkbox"/> Correct	<input type="checkbox"/> Mark for indexing	<input type="checkbox"/> Search and return
<input type="checkbox"/> Deadline _____	<input type="checkbox"/> Open case	<input type="checkbox"/> See me
<input type="checkbox"/> Delinquent	<input type="checkbox"/> Prepare lead cards	<input type="checkbox"/> Type
<input type="checkbox"/> Discontinue	<input type="checkbox"/> Prepare tickler	
<input type="checkbox"/> Expedite	<input type="checkbox"/> Recharge file <input type="checkbox"/> serial	
<input type="checkbox"/> File	<input type="checkbox"/> Send to _____	

Un assign SA Gold man

as co-case agent.

11-17-98

[Signature]

[Signature]

SAC

See reverse side

Office _____

196C-LA-208098-77

(01/26/1998)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 12/04/1998

To: Los Angeles

From: Los Angeles

Contact: SA [redacted]

Approved By: [redacted]

Drafted By: [redacted] chs

Case ID #: 196C-LA-208098

Title: IRVING KOTT, dba
JB OXFORD
ET AL;
SECURITIES FRAUD

Synopsis: Request permission for SA [redacted] to travel to New York to conduct subject interviews of [redacted] and [redacted]

Details: While in New York, SA [redacted] will join SA [redacted] in attempting to interview [redacted] and [redacted] who are [redacted]

[redacted] These two individuals are subjects in the JB OXFORD case focusing on the manipulation of OPTHALMIC IMAGING SYSTEMS, INC. (OISI) stock. The SECURITIES AND EXCHANGE COMMISSION did a detailed analysis of the stock trades of OISI. The analysis showed that ALFRED SECURITIES helped manipulate the volume of OISI stock to show that the was an interest in the stock. As a result of the trading activity, the price of OISI stock increased for no apparent reason. IRVING KOTT, through his nominee companies would then sell shares of stock he owned in OISI at the higher price. AUSA [redacted] the prosecutor for the JB OXFORD case considers these interviews to be important, and needs them to be done prior to indictment.

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196C-LA-208098-80

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196C-LA-208098

12/14/98

CHS/chg

The following investigation was conducted by Special Agent (SA) [REDACTED] on December 10, 1998:

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AT NEW YORK, NEW YORK

An inspection of 115 Broadway, 12th Floor, New York, New York, revealed that ALFRED SECURITIES no longer occupied office space at that location. Contact with a Security Guard in the lobby of the location revealed that ALFRED SECURITIES had relocated to 120 Broadway, New York, New York, approximately five years ago.

An inspection of the directory at 120 Broadway, New York, New York, identified ALFRED SECURITIES as occupying an office located on the seventh floor of the building. The seventh floor was occupied by an executive suites service. A listing at the entrance to the suites listed a telephone extension of 7808 for ALFRED SECURITIES. No receptionist was present at the time of the inspection and the door to the suites was locked. Card key access was required to gain entry into the executive suites.

Contact with the local telephone directory assistance revealed a telephone listing for ALFRED SECURITIES of (212) 433-7808.

A telephone call was made to ALFRED SECURITIES and the phone was answered "trading". It was confirmed that the number belonged to ALFRED SECURITIES and that [REDACTED] was at the location. The telephone call was terminated at this point.

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(01/26/1998)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 01/25/1999

To: Los Angeles

Attn: SSA [REDACTED]

From: Los Angeles

[REDACTED] Financial Analysts

Contact: [REDACTED]

Approved By: [REDACTED]

Drafted By: [REDACTED] :tlc

Case ID #: 196C-LA-208098 (Pending)

Title: IRVING KOTT
JB OXFORD
OO: LOS ANGELES

Synopsis: Request for closure of lead for case ID# 196C-LA-208098.

Details: It is recommended that FA lead for [REDACTED] on captioned matter should be closed.

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*to [REDACTED]
I will make
the [REDACTED] for
the [REDACTED] - [REDACTED]*

TC-208098.EC

SA [REDACTED]

196C-LA-208098-82

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/21/98

[redacted] ALFRED SECURITIES, 120
Broadway, Suite 7010, New York, New York, telephone number [redacted]

[redacted] was interviewed at
his place of employment. Also present during the interview was
[redacted] Upon being advised of the identity
of the interviewing agents and the purpose of the interview,
[redacted] provided the following information:

[redacted] explained that [redacted]
he and [redacted] ALFRED SECURITIES
(ALFRED). Both [redacted]

[redacted]

ALFRED makes a market in approximately 57 Over The Counter (OTC)
securities. ALFRED utilizes the NATIONAL ASSOCIATION OF
SECURITIES DEALERS Automated Quotation system (NASDAQ) for all of
their trading.

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[redacted] explained that ALFRED had engaged in trading
with J.B. OXFORD, but that he did not recall which Traders at
J.B. OXFORD he had dealt with [redacted] never dealt with IRVING
KOTT at J.B. OXFORD, but indicated that he was familiar with KOTT
and had met him before.

ALFRED suffered trading losses during the stock market
crash of 1987, which resulted in [redacted]
GREENTREE INVESTMENT SERVICES, INC. (GREENTREE). [redacted] ran the
[redacted] at GREENTREE. At the time [redacted] joined GREENTREE,
MICHAEL KOTT was the Principal at GREENTREE. [redacted] did not
remember what MICHAEL KOTT's exact title was, but believed that
MICHAEL KOTT maintained an ownership interest in GREENTREE.

Investigation on 12/11/98 at New York, NY

File # 196C-LA-208098Date dictated 12/17/98by SA [redacted]
SA [redacted]

hc

196C-LA-208098

Continuation of FD-302 of [REDACTED], On 12/11/98, Page 2

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[REDACTED] While employed at GREENTREE, [REDACTED] explained that [REDACTED] wanted [REDACTED] IRVING KOTT. [REDACTED] traveled to Montreal, Canada, and met IRVING KOTT for lunch at the FOUR SEASONS HOTEL. The trip to Montreal, Canada was limited to one day. [REDACTED] did not remember what he discussed at his lunch meeting with IRVING KOTT.

ALFRED conducted a lot of trading with MERIT INVESTMENTS (MERIT) on a daily basis between 1995 and 1997. ALFRED has not done any trading with MERIT in the last six months. ALFRED was involved with both buying and selling securities for MERIT. The traders [REDACTED] dealt with at MERIT were [REDACTED] and an unknown male.

[REDACTED] had also traveled to Toronto, Canada, on two separate occasions to visit the offices of MERIT. MERIT had a "very nice set-up", and maintained a room of Stock Brokers. During his trip, [REDACTED] met with [REDACTED] also met for a second time with IRVING KOTT. [REDACTED] did not recall what he discussed with IRVING KOTT and stated that he did not have much "face time" with IRVING KOTT. [REDACTED] believed his second meeting with IRVING KOTT occurred while he was employed at GREENTREE.

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ALFRED traded with CANACORD for a period of approximately three months. [REDACTED] explained that approximately 18 months ago CANACORD and MERIT merged together as one firm. The merger only lasted for approximately three months and then was "unwound".

[REDACTED] indicated that he had spoken with IRVING KOTT approximately five to ten times on the telephone. [REDACTED] explained that he "talked about nothing really" with IRVING KOTT. [REDACTED] telephoned IRVING KOTT on a few occasions and stated that IRVING KOTT never "pitched him for schemes." [REDACTED] had heard of IRVING KOTT before he met him and had read the book "CONTRAPRENUER". [REDACTED] believed that it was best to "stay away from him," referring to IRVING KOTT. ALFRED and [REDACTED] never received any payments from IRVING KOTT.

While [REDACTED] was employed at GREENTREE, the firm merged with BROOK ROBINSON. At that time, [REDACTED] left to work for [REDACTED]. After working at [REDACTED] for a brief period, [REDACTED] left to rejoin ALFRED.

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[REDACTED] indicated that he did not know [REDACTED] at J.B. OXFORD. [REDACTED] only spoke with the trading room at J.B. OXFORD.

196C-LA-208098

Continuation of FD-302 of [REDACTED]

, On 12/11/98, Page 3

and remembered speaking with a female trader on one occasion. [REDACTED] did not remember any of the traders names. [REDACTED] explained that if J.B. OXFORD was high bid in a stock, he would telephone them to conduct a trade. [REDACTED] explained that the telephone calls only lasted seconds. ALFRED still makes a market in J.B. OXFORD stock, meaning that they are ready to buy, sell or hold the stock.

[REDACTED] does not know anyone at GREENWAY CAPITAL CORPORATION. ALFRED generally does not hold inventory. Usually other Broker Dealers contact ALFRED to place trades with them. ALFRED primarily places trades on behalf of other Broker Dealers.

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[REDACTED] indicated that he has heard of [REDACTED] (phonetic) from "names on the street". [REDACTED] believed that [REDACTED] (phonetic) was associated with MERIT or CANACORD. [REDACTED] believed he met [REDACTED] in person at MERIT in Canada in approximately 1987 or 1988. [REDACTED] believed that [REDACTED] was a Principal in CANACORD.

ALFRED was a Market Maker in OPHTHALMIC IMAGING SYSTEMS (OISI). [REDACTED] explained that OISI was a "take-over deal" and that ALFRED dropped the stock when it went to the Bulletin Board. [REDACTED] did not remember how much ALFRED traded in OISI. [REDACTED] explained that he just looks at a list of stocks and picked OISI. [REDACTED] believed that ALFRED probably made money from trading OISI and believed that ALFRED picked-up the stock in approximately August, 1995 and dropped the stock in August, 1998. [REDACTED] did not know anything about OISI and that it was only picked-up for trading.

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[REDACTED] was sure that ALFRED would have been both the high bid and low bid in OISI. [REDACTED] explained that ALFRED would be high bid when they wanted to buy OISI and low bid when they wanted to sell OISI.

[REDACTED] explained that ALFRED may have had some "sold sale" in OISI. A "sold sale" is described as any trade that is not reported within ninety minutes. [REDACTED] explained that a "sold sale" still reports on the tape.

[REDACTED] explained that ALFRED could have been the high bid in OISI, but that it doesn't stop another Market Maker from selling to another Market Maker at the high bid price. [REDACTED] explained that both market makers do not have to come to ALFRED, but can conduct the trade at the high bid price offered by ALFRED. Therefore it would be possible for ALFRED to be high bid without having any trades. [REDACTED] explained that the only exception to this would be if the lots being

196C-LA-208098

Continuation of FD-302 of [REDACTED], On 12/11/98, Page 4

offered are smaller.

[REDACTED] had no explanation for why J.B. OXFORD would be trading with another Market Maker when ALFRED was the high bid or offering the best price.

[REDACTED] explained that ALFRED would trade in a stock for three reasons. First, if ALFRED had received an order from another Broker Dealer, secondly, if ALFRED was trading for themselves, and thirdly, if ALFRED was going short in a stock.

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[REDACTED] indicated that the majority of the time that ALFRED was the high bid in OISI, they had received an order from CANACORD to purchase OISI for them. [REDACTED] believed that CANACORD would place orders through ALFRED because CANACORD was located in Canada and could not be a Market Maker in the security and purchase the stock directly for themselves.

[REDACTED] explained that when ALFRED would receive an order from [REDACTED] or [REDACTED] the traders at CANACORD, ALFRED would have no choice but to show the high bid for OISI. [REDACTED] explained that ALFRED was taking orders and making 1/16 or 1/32 per share traded. [REDACTED] indicated that he did not recall having any conversations with IRVING KOTT regarding OISI.

[REDACTED] had never heard of EBC TRUST until receiving a Subpoena from the SECURITIES AND EXCHANGE COMMISSION (SEC). EBC TRUST was referenced in the subpoena. [REDACTED] advised that he has never heard of [REDACTED]

It was common for ALFRED to trade with HERZOG, HEINE, GEDULD, INC. (HERZOG). [REDACTED] explained that HERZOG made a market in every stock. [REDACTED] did not know anyone at HERZOG.

[REDACTED] reviewed NASDAQ audit trail records for March 14, 1996. [REDACTED] explained that the records reflected that ALFRED bought 2,600 shares of OISI at 3 1/2 at 9:46 a.m. At 1:14 p.m., HERZOG sold ALFRED 4,000 more shares at 3 1/2. ALFRED then sold the acquired stock to CANACORD at 4:02 p.m. [REDACTED] explained that ALFRED would have received an order from CANACORD before the trading day started. [REDACTED] explained that the telephone orders that would have been received by CANACORD to buy the stock would have been written on a piece of scratch paper. After the shares were acquired for CANACORD by ALFRED, they would have been sold to CANACORD.

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[REDACTED] reviewed NASDAQ audit trail records for March 8,

196C-LA-208098

Continuation of FD-302 of [redacted], On 12/11/98, Page 5

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1996. [redacted] explained that ALFRED purchased 100 shares of OISI from DEAN WITTER REYNOLDS, INC. at 3 1/2. ALFRED then purchased 3,000 shares from NASH, WEISS & CO. at 3 1/2. ALFRED then sold 3,100 shares to MERIT at 3 17/32. [redacted] explained that ALFRED would have received an existing order from MERIT to buy the OISI shares. ALFRED was only trying to fill the order for MERIT.

[redacted] reviewed NASDAQ audit trail records for April, 1996. [redacted] explained that ALFRED purchased 10,000 shares of OISI at 3 7/8 at 12:02 p.m. from [redacted] (phonetic). ALFRED then bought 1,000 shares of OISI from MAYER & SCHWEITZER, INC. at 4 at 12:11 p.m. ALFRED then bought another 1,000 shares of OISI from SHERWOOD SECURITIES CORP. at 4. [redacted] explained that ALFRED had a "sold sale" at 12:12 p.m. in which they sold 10,000 shares of OISI at 3 29/32, in which ALFRED made 1/32 on 10,000 shares. ALFRED had another "sold sale" of 2,000 shares of OISI at 4 1/32.

[redacted] again explained that a "sold sale" means that a trade took place out of sequence on the tape. [redacted] explained that this was common because ALFRED wanted to save clearing charges. [redacted] explained that if they had an order to purchase stock, they would try to acquire the stock as they could. If ALFRED could only acquire the stock in increments of 100 shares at a time, they would have to pay a clearing charge for each ticket used to purchase each block of 100 shares. Instead, ALFRED would bunch all the blocks together onto one ticket to save on clearing charges. ALFRED would have only one ticket instead of many. ALFRED would hold the stock until they could get as much as required to fill the order. If ALFRED did not conduct business this way, they would be writing 10 tickets for one trade. [redacted] explained that ALFRED's customers are other Broker Dealers.

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[redacted] reviewed NASDAQ audit trail records for March 18, 1998. [redacted] explained that ALFRED received an order from CANACORD to purchase OISI stock on that date. [redacted] explained that ALFRED purchased 1,000 shares of OISI from HERZOG, HEINE, GEDULD, INC. at 3 1/2. ALFRED purchased an additional 1,000 shares from [redacted] (phonetic) at 3 1/2. ALFRED then sold 2,000 shares of OISI to CANACORD for 3 17/32. [redacted] advised that ALFRED made a total of 1/32 for each share of OISI traded. The total earnings on the trade equaled \$62.50 less \$8.00 for clearing charges.

[redacted] advised that he had no knowledge that CANACORD was placing trades with other Market Makers when ALFRED was attempting to fill orders on behalf of CANACORD. [redacted] advised that ALFRED maintains monthly statements for all stock trades.

196C-LA-208098

Continuation of FD-302 of

[REDACTED]

, On 12/11/98

, Page 6

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[REDACTED] advised that ALFRED SECURITIES made a market in LEGACY SOFTWARE at one time. [REDACTED] did not believe that ALFRED conducted a lot of trading in LEGACY SOFTWARE. [REDACTED] also advised that ALFRED filled orders on behalf of MERIT and CANACORD for the stock of HARRISTON and SYNERGY.

[REDACTED] advised that all telephone calls to traders at other Broker Dealers were made by using speed dial numbers. [REDACTED] did not maintain an address book or Rolodex for traders he contacted.

196C-LA-208098-84

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FBI FACSIMILE

COVER SHEET

PRECEDENCE

- ☐ Immediate
☐ Priority
☒ Routine

CLASSIFICATION

- ☐ Top Secret
☐ Secret
☐ Confidential
☐ Sensitive
☒ Unclassified

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 OTHER per sealing order
 Date: 3/10/99

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Room

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From: FBI Los Angeles

Name of Office

Subject: FGJ SUBPOENA

Special Handling Instructions: _____

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Approved: _____

Brief Description of Communication Faxed: _____

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MAR 10'99 17:10

TRANSMIT CONFIRMATION REPORT

NO. : 007
RECEIVER :
TRANSMITTER :
DATE : MAR 10'99 17:10
DURATION : 01'50
MODE : STD
PAGES : 04
RESULT : OK

OTHER per sealing order

196C-LA-208098-85



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FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 05/10/1999

To: Los Angeles

Attn: SSA [redacted]
SSA [redacted]
SSA [redacted]

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b7E

From: Los Angeles

[redacted] CART Unit

Contact: [redacted]

Approved By: [redacted]

Drafted By: [redacted]

dbm

Case ID #: 196C-LA-208098 - (Pending)

Title: IRVING KOTT;
dba J. B. OXFORD;
ET AL;
MF; MONEY LAUNDERING;
SECURITIES FRAUD

Synopsis: Request lead be reassigned due to transfer of writer out of the division.

Details: A search was conducted of subject company's business address on 8/19/97. [redacted] OTHER per sealing order

[redacted]

[redacted]

[redacted]

Tiff: uploaded (208098.naa) Renel: 196C-LA-208098-62.1 Reassigned

Copy!

1 - file (via SSA [redacted])

1 - SA [redacted]

1 - SA [redacted]

SA [redacted]

CV 5/10/99

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To: Los Angeles From: Los Angeles
Re: 196C-LA-208098, 05/10/1999

OTHER per sealing order



Writer requests lead on serial 62 be reassigned due to his transfer to the Tucson, Arizona RA.

C:\data\agents\  208098.rea

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(01/26/1998)

FEDERAL BUREAU OF INVESTIGATION

Precedence: PRIORITY

Date: 05/07/1999

To: CID

Attn: SSA [redacted]
[redacted]
SSA [redacted]
[redacted]

London

Attn: ALAT [redacted]

From: Los Angeles

Contact: [redacted]

Approved By: [redacted]

Drafted By: [redacted] chs

Case ID #: 196C-LA-208098⁸⁶ (Pending)

Title: IRVING KOTT, dba
JB OXFORD;
ET AL;
SECURITIES FRAUD;

Synopsis: [redacted]
[redacted]

Details: The following information concerning this request is being submitted pursuant to MIOG Section 23-8.2, Foreign Travel of FBI personnel on Official Business.

(1) SAs [redacted] and [redacted]
LAFO will travel to London, England with AUSA [redacted]
and AUSA [redacted] United States Attorneys Office,
Los Angeles, California, and will conduct interviews with AUSAs
[redacted]

(2) Investigation of captioned case was initiated at Los Angeles in 6/97. LAFO along with the United States Attorney's Office for the Central District of California, is conducting a grand jury investigation involving J.B. Oxford Holdings, Inc. (JBOH), J.B. Oxford & Company, Inc. (JBOC), certain officers and directors of these companies, Irving Kott, and a number of Kott's associates. JBOH is a publicly traded holding company, whose

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196C-LA-208098-846

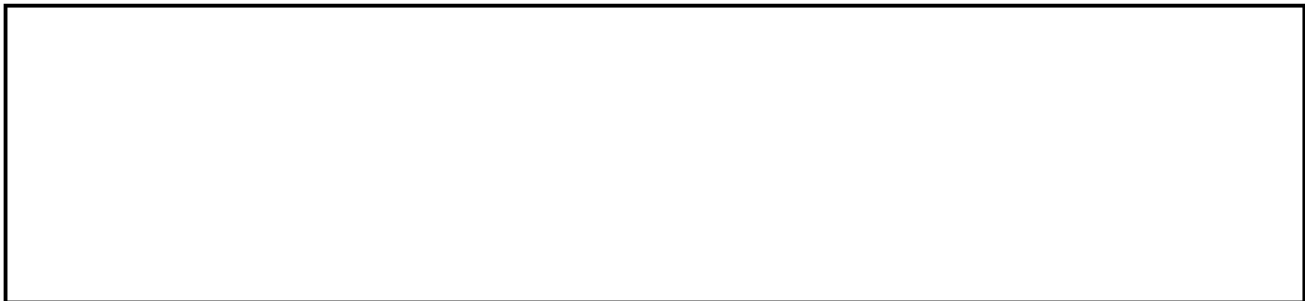
7

To: CID From: Los Angeles
Re: 196C-LA-208098196C-LA-208098, 05/07/1999

principal subsidiary is JBOC, a Beverly Hills, California based broker-dealer. Kott is a stock manipulator of international repute, who was convicted of securities fraud in Canada in the 1970's and was the organizer of another large securities fraud scheme in the Netherlands in the 1980's.

LAFO and the United States Attorney's Office is investigating allegations that Kott secretly acquired ownership and/or control of JBOH and JBOC in June, 1993, and then concealed that ownership and control from the Securities and Exchange Commission (SEC), the National Association of Securities Dealers (NASD), and the investing public by causing JBOH to file false reports with, and make false statements to, the SEC. LAFO is also investigating allegations that Kott used JBOC, a number of other brokerage houses in the United States and Canada, and an international network of nominees to carry-out stock manipulation schemes involving the stock of at least five publicly traded companies.

The Los Angeles Office of the SEC is conducting a parallel civil investigation involving the same or similar allegations. The SEC has deemed this case one of their highest priorities nationally.



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(3) The itineraries call for SA [redacted] to depart Los Angeles International Airport (LAX) via flight to London,

To: CID From: Los Angeles
Re: 196C-LA-208098196C-LA-208098, 05/07/1999

England on 5/21/99 and arrive on 5/22/99. SA [redacted] will return to Los Angeles on 5/27/99. SA [redacted] will depart New York via flight to London, England on 5/22/99. SA [redacted] will return to Los Angeles on 5/27/99.

As of this date, no hotel accommodations have been confirmed. Legat, London has advised they will commence obtaining hotel accommodations upon receipt of this EC.

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(4) Omega travel advised a round-trip Coach flight from LAX to London, England arriving on 5/22/99, United Airlines is \$728.40. Per diem rate allowance in London is \$210 for lodging and \$105 for subsistence, a total of \$315 per day.

Omega travel advised that a SA [redacted] round-trip coach flight departing from New York to London, England on 5/22/99, and returning to LAX is approximately \$700.

(5) The Assistant Director in Charge, Los Angeles, concurs with the requested travel based on the purpose described in (2), above.

(6) It is not anticipated that the assistance of the American Embassy/Legal Attaches or Consulates, or other personnel in London, to coordinate matters with the English government, will be required. Legat London will be contacted regarding this foreign travel in near future.

To: CID From: Los Angeles
Re: 196C-LA-208098196C-LA-208098, 05/07/1999

LEAD (s):

Set Lead 1:

CRIMINAL INVESTIGATIVE

AT WASHINGTON, D.C.

1. Read and clear for Bureau approval.

Set Lead 2:

LONDON

AT LONDON, ENGLAND:

1. If FBIHQ approves, Legat will obtain necessary country clearances for AUSA [redacted] AUSA [redacted] SAs [redacted] and [redacted] to travel to the United Kingdom. AUSAs [redacted] AUSA [redacted] SAs [redacted] and [redacted] are set to arrive in London on 5/22/99. AUSA [redacted] AUSA [redacted] SAs [redacted] and [redacted] will depart London on 5/27/99.

A. AUSA [redacted] date of birth (DOB) is [redacted] Official U.S. Passport Number (USPN) is [redacted] and Social Security Number (SSAN) is [redacted]

B. AUSA [redacted] DOB is [redacted] Official USPN pending, and SSAN [redacted]

C. SA [redacted] DOB is 8/5/66, Official USPN is [redacted] and SSAN is [redacted]

D. SA [redacted] DOB is [redacted] Official USPN pending, and SSAN is [redacted]

WORK COPY ROUTING SHEET

CC: 2 - Bureau
2 - Legat London
3 - Los Angeles

♦♦

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(01/26/1998)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 05/07/1999

To: Los Angeles

From: Los Angeles

Contact: SA [REDACTED]

Approved By: [REDACTED]

Drafted By: [REDACTED]

chs

Case ID #: 196C-LA-208098-88

Title: IRVING KOTT, dba
JB OXFORD;
ET AL;
SECURITIES FRAUD;

Synopsis: Request permission for Special Agent [REDACTED]
[REDACTED] to travel to New York to conduct interviews of [REDACTED]

Enclosures: Enclosed for the Los Angeles Division are two copies
of AUSA [REDACTED] notes related to [REDACTED]

Details: [REDACTED]

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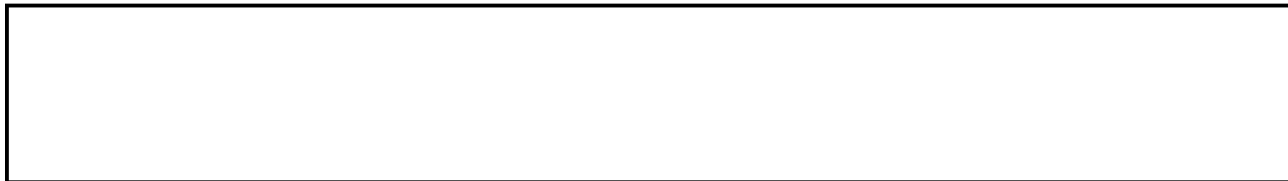
(X)
CHS

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b7D

127CHS01.EC

196C-LA-208098-88

To: Los Angeles From: Los Angeles
Re: 196C-LA-208098, 05/07/1999



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b7D



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196C-LA-208098 -88

MIS ϕ

FEDERAL BUREAU OF INVESTIGATION

Precedence: PRIORITY

Date: 05/18/1999

To: London

Attn: ALAT [REDACTED]

From: Los Angeles [REDACTED]

Contact: SA [REDACTED]

Approved By: [REDACTED]

Drafted By: [REDACTED] chs

Case ID #: 196C-LA-208098

Title: IRVING KOTT, dba
JB OXFORD;
ET AL;
SECURITIES FRAUD;

b6
b7C
b7E

Synopsis: To advise Legat London of an additional interview scheduled for May 27, 1999 in London, England with [REDACTED]
[REDACTED]

Administrative: Reference EC from Los Angeles to Legat London dated 5/7/99 requesting country clearance and approval to conduct interviews in London, England. Reference telcal between SA [REDACTED] and ALAT [REDACTED] on 5/19/99.

Details: The following information concerning this request is being submitted pursuant to MIOG Section 23-8.2, Foreign Travel of FBI personnel on Official Business.

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(1) Special Agents (SAs) [REDACTED] and [REDACTED] Los Angeles Field Office (LAFO), will travel to London, England with Assistant United States Attorney (AUSA) [REDACTED] United States Attorney's Office, Los Angeles, California, and will conduct interviews related to above captioned matter.

(2) [REDACTED]
[REDACTED]
[REDACTED]
investigation that centered around a large securities fraud scheme that was conducted by Irving Kott in the Netherlands in the 1980's. [REDACTED] can provide valuable information regarding previous securities fraud violations committed by Irving Kott.

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[REDACTED] has agreed to meet SAs [REDACTED] and [REDACTED] and AUSA [REDACTED] in London, England on May 27, 1999.

196C-LA-208098-81

D/GM

139CH501.EC

To: London From: Los Angeles
Re: 196C-LA-208098, 05/18/1999

To: London From: Los Angeles
Re: 196C-LA-208098, 05/18/1999

LEAD (s):

Set Lead 1:

LONDON

AT LONDON, ENGLAND

1. Obtain necessary country clearances for AUSA
[redacted] and SAs [redacted] and [redacted] to conduct an additional
interview of [redacted] in London, England on May 27,
1999. AUSA [redacted] and SAs [redacted] and [redacted] are set to
arrive in London, England on 5/23/99.

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U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

11000 Wilshire Boulevard #1700
Los Angeles, CA 90024

May 14, 1999

[Redacted]
Assistant District Attorney
Deputy Chief
Manhattan District Attorney's Office

Dear [Redacted]

b6
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[Redacted] Per your conversation with Special Agent [Redacted]
[Redacted] of the Los Angeles Federal Bureau of Investigation (FBI)
on this day, it is requested that interviews be arranged by your
office with certain individuals having information about JB
Oxford and Irving Kott on Thursday, May 20, 1999.

Your assistance is greatly appreciated.

Sincerely,

JOHN SCHIMAN
Acting Assistant Director
in Charge

By: DANIEL C. BOLICK
Supervisory Special Agent

FEDERAL BUREAU OF INVESTIGATION

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196C-LA-208098-92
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To: New York From: Los Angeles
Re: 196C-LA-208098, 05/14/1999

♦♦

26 August 1999

To : FBI Los Angeles

From : Legat London

Subject: 196C-LA-208098

RETURNING ORIGINAL DOCUMENTS TO OO.



SA

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MTS



Office of the Legal Attache
American Embassy
London, England

FAX: 011-44-171-499-7944
TELEPHONE: 011-44-171-408-8078

FAX COVER SHEET

Precedence: ROUTINE

Date: May 20, 1999

Number of pages, including this page: 1

TO: MET Fraud

FAX NO: 230-1275

ATTN: DC [REDACTED]

FROM: Office of the Legal Attache

ORIGINATOR: ALAT [REDACTED]

SUBJECT: INTERVIEW OF [REDACTED] IN LONDON,
MAY 23-27, 1999

OUR REF: 196C-LO-208098

[REDACTED]

[REDACTED] interviewed in the presence of his attorney [REDACTED] at
the London law offices of Sidley & Austin, tel. 0171-360-3600.

In addition, the FBI would like to interview [REDACTED] from
[REDACTED]
[REDACTED] is a willing
and voluntary witness. His interview is not connected with the law offices
of Sidley and Austin.

Give me a call when you have a chance.

Regards,

[REDACTED]

(X)

+

196C-LA-208098-95 +



FBI FACSIMILE COVER SHEET

PRECEDENCE

- ☐ Immediate
☐ Priority
☒ Routine

CLASSIFICATION

- ☐ Top Secret
☐ Secret
☐ Confidential
☐ Sensitive
☒ Unclassified

Time Transmitted: _____

Sender's Initials: mr
 Number of Pages: 3
 (including cover sheet)

 To: NEW YORK
 Name of Office
Date: 5/14/99Facsimile Number: (212) 384-2486
 Attn: SSA TRUE BROWN
 Name Room Telephone

 From: FBI LOS ANGELES
 Name of Office

 Subject: JB OXFORD

Special Handling Instructions: _____

 Originator's Name: Telephone:
Originator's Facsimile Number: 310-996-4194

Approved: _____

Brief Description of Communication Faxed: _____

WARNING

Information attached to the cover sheet is U.S. Government Property. If you are not the intended recipient of this information, disclosure, reproduction, distribution, or use of this information is prohibited (18.U.S.C. § 641). Please notify the originator or the local FBI Office immediately to arrange for proper disposition.

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 b7C

ID:

MAY 14'99 11:43

TRANSMIT CONFIRMATION REPORT

NO.	:	004	
RECEIVER	:		
TRANSMITTER	:		
DATE	:	MAY 14'99	11:43
DURATION	:	01'20	
MODE	:	STD	
PAGES	:	03	
RESULT	:	OK	

b6
b7c



FBI FACSIMILE COVER SHEET

PRECEDENCE

- ☐ Immediate
☐ Priority
☒ Routine

CLASSIFICATION

- ☐ Top Secret
☐ Secret
☐ Confidential
☐ Sensitive
☒ Unclassified

Time Transmitted: _____

Sender's Initials: _____

Number of Pages: _____

(including cover sheet)

To: MANHATTAN DISTRICT ATTORNEY'S OFFICE Date: 5/14/88
 Name of Office

Facsimile Number: _____

Attn: _____

Name

Room

Telephone

ESQ - ASSISTANT DISTRICT ATTORNEYFrom: FBI LOS ANGELES

Name of Office

b6
b7c

Subject: JB OXFORD
IRVING KOTT

Special Handling Instructions: _____

Originator's Name: _____

Telephone: _____

Originator's Facsimile Number: 310-996-4194

Approved: _____

Brief Description of Communication Faxed: _____

WARNING

Information attached to the cover sheet is U.S. Government Property. If you are not the intended recipient of this information, disclosure, reproduction, distribution, or use of this information is prohibited (18.U.S.C. § 641). Please notify the originator or the local FBI Office immediately to arrange for proper disposition.

196A-LA-208098-916

D

ID:

MAY 14'99 11:55

TRANSMIT CONFIRMATION REPORT

NO. : 008
RECEIVER :
TRANSMITTER :
DATE : MAY 14'99 11:55
DURATION : 00'57
MODE : STD
PAGES : 02
RESULT : OK

b6
b7c



Office of the Legal Attache
American Embassy
London, England

FAX: 011-44-171-499-7944
TELEPHONE: 011-44-171-408-8078

FAX COVER SHEET

Precedence: ROUTINE

Date: May 12, 1999

Number of pages, including this page: 3

TO: MET, FRAUD SQUAD

FAX NO:

ATTN:

DS

FROM:

Office of the Legal Attache

ORIGINATOR:

ALAT

SUBJECT:

OUR REF:

196C-LA-208098

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See the attached letter from the federal prosecutor in LA assigned this matter. Isaacs, a second DOJ attorney and two LA agents want to interview dates indicated. I will try to get more specifics such as the location of the proposed interview and whether any London office of solicitors will be involved. but I need your approval before the prosecutors and agents are authorized to travel.

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Let me know your thoughts.

Regards, /

(01/26/1998)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 06/17/1999

To: New York

From: Los Angeles

Contact: [REDACTED]

Approved By: [REDACTED]

Drafted By: [REDACTED]

Case ID #: 196C-LA-208098 (Pending)

Title: IRVING KOTT;
dba J.B. OXFORD;
ET AL;
MF; MONEY LAUNDERING
SECURITIES FRAUD;

Synopsis: Lead to obtain court documents.

Details: Los Angeles is seeking to obtain court pleadings from a civil case filed in the Southern District of New York, in Shea & Gould v. Reynolds Kendrick Stratton, INC (RKS) (now called J.B. Oxford) case #95-CIVO641 RWS. The suit is allegedly for unpaid fees for services, the law firm Shea & Gould provided to RKS. The attorney from Shea & Gould, [REDACTED] is currently a subject in captioned matter. [REDACTED] was part of the investor group that gained control of RKS. The person behind the investor group was convicted stock swindler, IRVING KOTT.

LEAD (s):

Set Lead 1:

NEW YORK

AT NEW YORK

Will obtain a certified copy of the court docket, complaint and answer. If file does not appear to be too voluminous, obtain copies of all documents for case titled Shea & Gould v. Reynolds Kendrick Stratton Case #95-CIV0641 RWS.

♦♦

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196C-LA-208098-98

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b7C

(01/26/1998)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 07/07/1999

To: Los Angeles

Attn: Evidence Control Center

From: Los Angeles

Contact: SA [REDACTED]

Approved By: [REDACTED]

Drafted By: [REDACTED]

Case ID #: LA 66F-A4636 (Pending)
196C-LA-208098✓ (Pending)

Title: IRVING KOTT, dba
JB OXFORD;
ET AL;
SECURITIES FRAUD;

Synopsis: Last submission FD-192.

Details: The purpose of this memo is to submit the following
1B27 - Bar code# E1667675 listing the following items:

- 1) JBOC, certificate #2632, 469540 shares
- 2) Legacy software, certificate #7, 534,531 shares
- 3) Intasys Corporation, in the name of EBC Trust:

<u>Certificate #</u>	<u>Shares</u>
175	20,000
176	20,000
177	20,000
178	20,000
179	20,000

- 4) Legacy, warrant certificate 92,800 warrants.

On August 19, 1997 the Los Angeles FBI executed a search warrant on the offices of JB Oxford in Beverly Hills, California. An FD-192 was submitted of the items seized during the search. Included in that FD-192 was the above listed items. At that time these items were left in a locked filing cabinet. At present the JBOC Stock Certificate #2632 is worth approximately \$2.5 million. A separate FD-192 is being filled out for these items, in order to place the stock certificate in the 17th floor vault in the Los Angeles FBI office.

♦♦

196C-LA-208098-99

D/18

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Automated Serial Permanent Charge-Out
FD-5a (1-5-94)

Date: 07/12/99 Time: 11:46

Case ID: 196C-LA-208098 Serial: 100

Description of Document:

Type : FD302

Date : 06/22/99

To : LOS ANGELES

From :

Topic: INTERVIEW OF

b6
b7c

Reason for Permanent Charge-Out:

MISFILED

Employee:

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 06/28/1999

To: Los Angeles

Attn: Sqaud

From: Los Angeles

Contact: SA

Approved By: *HMB*

Drafted By:

Case ID #: 196C-LA-208098 (Pending)

Title: IRVING KOTT, dba
JB OXFORD,
ET AL;
SECURITIES FRAUD

Synopsis: Requesting Financial Analyst (FA) assistance.

Details: Captioned matter involves KOTT's secret ownership and/or control of JBOH beginning in 1993 and stock manipulation and traditional investor fraud involving the securities of a number of publicly traded companies, including, in particular, OISI, HARISTON, LEGACY, SYNERGY and JBOH. KOTT is a convicted stock swindler, responsible for a \$200 million stock fraud in Amsterdam, Holland. The Securities Exchange Commission (SEC) has a parallel investigation involving this matter. In the course of their investigation, the SEC sent out questionnaires to people who invested in the above mentioned companies. The SEC has provided to the FBI a copy of the responses to the questionnaires. Investigating agent needs the assistance of an FA to evaluate the questionnaires and prepare a database of the responses. In addition, case agent also needs the assistance of an FA to review the transcription of consensually recorded tapes of subjects/witnesses in this matter. Writer also has developed a database of over 900,000 records in this matter. It is anticipated that FA assistance may be needed in retrieving these records. Writer anticipates the assistance of an FA for a minimum of six (6) months.

The writer requests FA assistance regarding captioned matter and that sub-file FA be opened and assigned to an FA.

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Sub file 17A

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7-13-99

FD-315 (Rev. 8-16-88)		INS Use Only	
Federal Bureau of Investigation INS Lookout Notice		SDX-	
Name (Last, First, Middle) [Redacted]		Aliases (Last, First, Middle) [Redacted]	
Address (Number and Street, City, State) [Redacted]		b6 b7C	
Date of Birth (Include mo, dy, yr) 7/19/58	Nationality POB: Citizenship: CANADA	Passport Number: Country:	Reason for Lookout Notice <input type="checkbox"/> Security/Terrorism <input type="checkbox"/> Arrest Warrant (explain charge) <input checked="" type="checkbox"/> Other Reason (explain) MATERIAL WITNESS
Date of Request (Include mo, dy, yr) 7/29/99	Cancellation Date (Include mo, dy, yr)	INS File Number A-	
Type of Request/Action <input type="checkbox"/> Caution (explain) <input checked="" type="checkbox"/> F-1 <input checked="" type="checkbox"/> Place <input type="checkbox"/> F-2 <input type="checkbox"/> Remove <input type="checkbox"/> F-3 <input type="checkbox"/> Amend	Requesting FBI Office Los Angeles FBI File Number 196C-LA-208098	Other Identifying Numbers	
Miscellaneous: [Redacted] NEED TO SERVE FEDERAL GRAND JURY SUBPOENA FOR TESTIMONY + DOCUMENTS Mail To: Assistant Commissioner Inspections Immigration and Naturalization Service 425 "Eye" Street, N.W., Washington, D.C. 20536			

(See instructions on reverse)

196C-LA-208098-102

7

Instructions

INS Lookout Notices are only placed on foreign nationals between the ages of 14 and 90. The maximum time period is 5 years. The original FD-315 form is signed by the approving field supervisor and only it is mailed directly to INS at the address shown on the form. **The INS Lookout Notice is not in a classified system.**

INS Use Only	This space is for INS to insert soundex letters of last name.
Name	List full legal name or principal name of subject. Do not list spelling variations for any name.
Aliases	List in alphabetical order only aliases which subject is known to use, or for which subject is known to have identification. Additional aliases can be listed under "Miscellaneous".
Address	List only one address.
Date of Birth	List only one birth date. INS will not place a Lookout Notice without a date of birth.
Nationality	List country of birth and country of citizenship, if different. INS will not place a Lookout Notice without a nationality.
Identifying Numbers	If known, show all numbers such as Passport, INS File Number, Social Security, Driver License, etc. Use "Miscellaneous" section for additional space.
Date of Request	Enter date prepared. Ins will not place a Lookout Notice unless a date is shown.
Cancellation Date	Enter date Lookout Notice should expire. INS will not place a Lookout Notice for more than five (5) years. If no date appears, the INS Lookout Notice will automatically expire one (1) year from the date of request.
Request Type and Action	<p>Check the "Caution" block if subject is armed and dangerous, suicidal, or has any physical or mental problems. Explain fully under "Miscellaneous".</p> <p>Check only one of the blocks identified F-1, F-2, or F-3. The INS will take the following action:</p> <p>F-1. Notify nearest FBI Special Agent; Do not detain.</p> <p>F-2. Notify nearest FBI Special Agent immediately; criminal process outstanding. (Under "Miscellaneous", specify the criminal process if F-2 lookout requested.)</p> <p>F-3 Notify nearest FBI Special Agent. FBI requests Customs Search. (Under "Miscellaneous" identify contraband or reason for search if F-3 lookout requested.)</p> <p>"Place", "Remove", or "Amend" blocks must be marked for each FD-315 before INS will take action.</p>
Requesting Office and File Number	Enter the FBI field office designator and office file number. INS will not place a Lookout Notice without a requesting office and file number.
Reason for Lookout Notice	Check the appropriate reason. If the "Other" block is checked, explain the reason under "Miscellaneous". FBI requests for Lookout Notices must meet the INS criteria for posting unless the request for action is limited to notifying the appropriate authority of the facts of arrival or there are outstanding warrants of arrest. FBI investigative activity does not usually meet INS criteria for posting lookouts. INS will not place a stop unless an appropriate block is checked.
Miscellaneous	Use this space to note additional information from other sections or for explanations.

FD-315 (Rev. 8-16-88)		INS Use Only	
Federal Bureau of Investigation INS Lookout Notice		SDX-	
Name (Last, First, Middle)		Aliases (Last, First, Middle)	
Address (Number and Street, City, State)			
Date of Birth (Include mo, dy, yr)	Nationality POB: Citizenship: CANADA	Passport Number: Country:	Reason for Lookout Notice <input type="checkbox"/> Security/Terrorism <input type="checkbox"/> Arrest Warrant (explain charge) <input checked="" type="checkbox"/> Other Reason (explain)
Date of Request (Include mo, dy, yr)	Cancellation Date (Include mo, dy, yr)	INS File Number A-	MATERIAL WITNESS
Type of Request/Action <input type="checkbox"/> Caution (explain) <input type="checkbox"/> F-1 <input type="checkbox"/> Place <input type="checkbox"/> F-2 <input checked="" type="checkbox"/> Remove <input type="checkbox"/> F-3 <input type="checkbox"/> Amend	Requesting FBI Office Los Angeles FBI File Number 196C-LA 20809P	Other Identifying Numbers	
Miscellaneous:			
<p align="center">Mail To: Assistant Commissioner Inspections Immigration and Naturalization Service 425 "Eye" Street, N.W., Washington, D.C. 20536</p>			

(See instructions on reverse)

196C-LA-20809P - 1102

DEK
MOB

Instructions

INS Lookout Notices are only placed on foreign nationals between the ages of 14 and 90. The maximum time period is 5 years. The original FD-315 form is signed by the approving field supervisor and only it is mailed directly to INS at the address shown on the form. **The INS Lookout Notice is not in a classified system.**

- INS-Use Only** This space is for INS to insert soundex letters of last name.
- Name** List full legal name or principal name of subject. Do not list spelling variations for any name.
- Aliases** List in alphabetical order only aliases which subject is known to use, or for which subject is known to have identification. Additional aliases can be listed under "Miscellaneous".
- Address** List only one address.
- Date of Birth** List only one birth date. **INS will not place a Lookout Notice without a date of birth.**
- Nationality** List country of birth and country of citizenship, if different. **INS will not place a Lookout Notice without a nationality.**
- Identifying Numbers** If known, show all numbers such as Passport, INS File Number, Social Security, Driver License, etc. Use "Miscellaneous" section for additional space.
- Date of Request** Enter date prepared. **Ins will not place a Lookout Notice unless a date is shown.**
- Cancellation Date** Enter date Lookout Notice should expire. INS will not place a Lookout Notice for more than five (5) years. If no date appears, the INS Lookout Notice will automatically expire one (1) year from the date of request.
- Request Type and Action** Check the "Caution" block if subject is armed and dangerous, suicidal, or has any physical or mental problems. Explain fully under "Miscellaneous".
Check only one of the blocks identified F-1, F-2, or F-3. The INS will take the following action:
F-1. Notify nearest FBI Special Agent; **Do not detain.**
F-2. Notify nearest FBI Special Agent immediately; criminal process outstanding. (Under "Miscellaneous", specify the criminal process if F-2 lookout requested.)
F-3 Notify nearest FBI Special Agent. FBI requests Customs Search. (Under "Miscellaneous" identify contraband or reason for search if F-3 lookout requested.)
"Place", "Remove", or "Amend" blocks must be marked for each FD-315 before INS will take action.
- Requesting Office and File Number** Enter the FBI field office designator and office file number. **INS will not place a Lookout Notice without a requesting office and file number.**
- Reason for Lookout Notice** Check the appropriate reason. If the "Other" block is checked, explain the reason under "Miscellaneous". FBI requests for Lookout Notices must meet the INS criteria for posting unless the request for action is limited to notifying the appropriate authority of the facts of arrival or there are outstanding warrants of arrest. FBI investigative activity does not usually meet INS criteria for posting lookouts. **INS will not place a stop unless an appropriate block is checked.**
- Miscellaneous** Use this space to note additional information from other sections or for explanations.

**Federal Bureau of Investigation
INS Lookout Notice**

INS Use Only

SDX-

Name (Last, First, Middle)

Aliases (Last, First, Middle)

Address (Number and Street, City, State)

b6
b7C

Date of Birth

(Include mo, dy, yr)

7/24/30

Nationality

POB:

Citizenship: CANADA

Passport

Number:

Country:

Reason for Lookout Notice

☐ Security/Terrorism☐ Arrest Warrant (explain charge)☒ Other Reason (explain)

MATERIAL WITNESS

Date of Request

(Include mo, dy, yr)

7/29/99

Cancellation Date

(Include mo, dy, yr)

INS File Number

A-

Type of Request/Action

☐ Caution (explain)☒ F-1☐ Place☐ F-2☐ Remove☐ F-3☐ Amend

Requesting FBI Office

Los ANGELES

FBI File Number

196C-LA-208098

Other Identifying Numbers

Miscellaneous:

b6
b7C
b3

NEEDS TO SERVE
FEDERAL GRAND JURY
SUBPOENA FOR TESTIMONY
+ DOCUMENTS

Mail To: Assistant Commissioner Inspections
Immigration and Naturalization Service
425 "Eye" Street, N.W., Washington, D.C. 20536

(See instructions on reverse)

196C-LA-208098-103

Instructions

INS Lookout Notices are only placed on foreign nationals between the ages of 14 and 90. The maximum time period is 5 years. The original FD-315 form is signed by the approving field supervisor and only it is mailed directly to INS at the address shown on the form. **The INS Lookout Notice is not in a classified system.**

INS Use Only	This space is for INS to insert soundex letters of last name.
Name	List full legal name or principal name of subject. Do not list spelling variations for any name.
Aliases	List in alphabetical order only aliases which subject is known to use, or for which subject is known to have identification. Additional aliases can be listed under "Miscellaneous".
Address	List only one address.
Date of Birth	List only one birth date. INS will not place a Lookout Notice without a date of birth.
Nationality	List country of birth and country of citizenship, if different. INS will not place a Lookout Notice without a nationality.
Identifying Numbers	If known, show all numbers such as Passport, INS File Number, Social Security, Driver License, etc. Use "Miscellaneous" section for additional space.
Date of Request	Enter date prepared. Ins will not place a Lookout Notice unless a date is shown.
Cancellation Date	Enter date Lookout Notice should expire. INS will not place a Lookout Notice for more than five (5) years. If no date appears, the INS Lookout Notice will automatically expire one (1) year from the date of request.
Request Type and Action	<p>Check the "Caution" block if subject is armed and dangerous, suicidal, or has any physical or mental problems. Explain fully under "Miscellaneous".</p> <p>Check only one of the blocks identified F-1, F-2, or F-3. The INS will take the following action:</p> <p>F-1. Notify nearest FBI Special Agent; Do not detain.</p> <p>F-2. Notify nearest FBI Special Agent immediately; criminal process outstanding. (Under "Miscellaneous", specify the criminal process if F-2 lookout requested.)</p> <p>F-3 Notify nearest FBI Special Agent. FBI requests Customs Search. (Under "Miscellaneous" identify contraband or reason for search if F-3 lookout requested.)</p> <p>"Place", "Remove", or "Amend" blocks must be marked for each FD-315 before INS will take action.</p>
Requesting Office and File Number	Enter the FBI field office designator and office file number. INS will not place a Lookout Notice without a requesting office and file number.
Reason for Lookout Notice	Check the appropriate reason. If the "Other" block is checked, explain the reason under "Miscellaneous". FBI requests for Lookout Notices must meet the INS criteria for posting unless the request for action is limited to notifying the appropriate authority of the facts of arrival or there are outstanding warrants of arrest. FBI investigative activity does not usually meet INS criteria for posting lookouts. INS will not place a stop unless an appropriate block is checked.
Miscellaneous	Use this space to note additional information from other sections or for explanations.

FD-315 (Rev. 8-16-88)		INS Use Only	
Federal Bureau of Investigation INS Lookout Notice		SDX-	
Name (Last, First, Middle) <div style="border: 1px solid black; height: 20px; width: 100%;"></div>		Aliases (Last, First, Middle)	
Address (Number and Street, City, State) <div style="border: 1px solid black; height: 20px; width: 100%;"></div>			
Date of Birth (Include mo, dy, yr) 7/24/30	Nationality POB: Citizenship: CANADA	Passport Number: Country:	Reason for Lookout Notice <input type="checkbox"/> Security/Terrorism <input type="checkbox"/> Arrest Warrant (explain charge) <input checked="" type="checkbox"/> Other Reason (explain) MATERIAL WITNESS
Date of Request (Include mo, dy, yr) 7/29/99	Cancellation Date (Include mo, dy, yr)	INS File Number A-	
Type of Request/Action <input type="checkbox"/> Caution (explain) <input type="checkbox"/> F-1 <input type="checkbox"/> Place <input type="checkbox"/> F-2 <input checked="" type="checkbox"/> Remove <input type="checkbox"/> F-3 <input type="checkbox"/> Amend	Requesting FBI Office Los Angeles FBI File Number 196C-LA-208088	Other Identifying Numbers	
Miscellaneous:			
<p>Mail To: Assistant Commissioner Inspections Immigration and Naturalization Service 425 "Eye" Street, N.W., Washington, D.C. 20536</p>			

(See instructions on reverse)

196C-LA-208088-103

224C
MOS

Instructions

INS Lookout Notices are only placed on foreign nationals between the ages of 14 and 90. The maximum time period is 5 years. The original FD-315 form is signed by the approving field supervisor and only it is mailed directly to INS at the address shown on the form. **The INS Lookout Notice is not in a classified system.**

- INS Use Only** This space is for INS to insert soundex letters of last name.
- Name** List full legal name or principal name of subject. Do not list spelling variations for any name.
- Aliases** List in alphabetical order only aliases which subject is known to use, or for which subject is known to have identification. Additional aliases can be listed under "Miscellaneous".
- Address** List only one address.
- Date of Birth** List only one birth date. **INS will not place a Lookout Notice without a date of birth.**
- Nationality** List country of birth and country of citizenship, if different. **INS will not place a Lookout Notice without a nationality.**
- Identifying Numbers** If known, show all numbers such as Passport, INS File Number, Social Security, Driver License, etc. Use "Miscellaneous" section for additional space.
- Date of Request** Enter date prepared. **Ins will not place a Lookout Notice unless a date is shown.**
- Cancellation Date** Enter date Lookout Notice should expire. INS will not place a Lookout Notice for more than five (5) years. If no date appears, the INS Lookout Notice will automatically expire one (1) year from the date of request.
- Request Type and Action** Check the "Caution" block if subject is armed and dangerous, suicidal, or has any physical or mental problems. Explain fully under "Miscellaneous".
Check only one of the blocks identified F-1, F-2, or F-3. The INS will take the following action:
F-1. Notify nearest FBI Special Agent; **Do not detain.**
F-2. Notify nearest FBI Special Agent immediately; criminal process outstanding. (Under "Miscellaneous", specify the criminal process if F-2 lookout requested.)
F-3 Notify nearest FBI Special Agent. FBI requests Customs Search. (Under "Miscellaneous" identify contraband or reason for search if F-3 lookout requested.)
"Place", "Remove", or "Amend" blocks must be marked for each FD-315 before INS will take action.
- Requesting Office and File Number** Enter the FBI field office designator and office file number. **INS will not place a Lookout Notice without a requesting office and file number.**
- Reason for Lookout Notice** Check the appropriate reason. If the "Other" block is checked, explain the reason under "Miscellaneous". FBI requests for Lookout Notices must meet the INS criteria for posting unless the request for action is limited to notifying the appropriate authority of the facts of arrival or there are outstanding warrants of arrest. FBI investigative activity does not usually meet INS criteria for posting lookouts. **INS will not place a stop unless an appropriate block is checked.**
- Miscellaneous** Use this space to note additional information from other sections or for explanations.

196C-LA - 208098 - 106

CH 21-00000000

MSS



U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

11000 Wilshire Boulevard #1700
Los Angeles, CA 90024

July 29, 1999

[redacted]
Deputy, Chief Public Prosecutor
ArrondissementsParket Amsterdam
fgd. Hoofdofficier Van Justitie

Dear [redacted]

Reference is made to your letter dated July 21, 1999. Please furnish the identity of the police agency where the documents were sent. Los Angeles FBI and Securities Exchange Commission have no record of receiving the documents. If you retained a copy of these documents please furnish them in lieu of the originals.

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Assistant United States Attorney [redacted] and FBI Special Agents [redacted] and [redacted] of this office will be traveling to Europe in September or October. Their travel arrangements have not been confirmed. They wish to meet with you. What time would be convenient for you?

Please feel free to contact Special Agent [redacted] at [redacted] or Special Agent [redacted] at [redacted] fax# (310) 996-4194 with any questions.

Sincerely,

JOHN H. SCHIMAN
Acting Assistant Director
in Charge

By:
DANIEL C. BOLICK
Supervisory Special Agent



FBI FACSIMILE COVER SHEET

PRECEDENCE

- ☐ Immediate
☐ Priority
☒ Routine

CLASSIFICATION

- ☐ Top Secret
☐ Secret
☐ Confidential
☐ Sensitive
☒ Unclassified

Time Transmitted: _____

Sender's Initials: MS
 Number of Pages: 2
 (including cover sheet)

 To: ARRONDISSEMENTS PARKET AMSTERDAM
 Name of Office
Date: 8/4/89
 Facsimile Number: 011 31 20 541 2809

 Attn: DEPUTY CHIEF PUBLIC PROSECUTOR
 Name Room Telephone

 From: FBI LOS ANGELES
 Name of Office

 Subject: IRVING ROTT

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Special Handling Instructions: _____

 Originator's Name: Telephone:

 Originator's Facsimile Number: 310-996-4194

Approved: _____

Brief Description of Communication Faxed: _____

WARNING

Information attached to the cover sheet is U.S. Government Property. If you are not the intended recipient of this information, disclosure, reproduction, distribution, or use of this information is prohibited (18.U.S.C., 641). Please notify the originator or local FBI Office immediately to arrange for proper disposition.

205098 /
196C-LA-172387✓
SAR/kaw
1.

[redacted] met with Special Agent (SA) [redacted]
of the Boston Office of the FEDERAL BUREAU OF INVESTIGATION (FBI)
and provided the following information:

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[redacted]

[redacted]

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[redacted]

[redacted]

[redacted]

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b7D

[redacted]

[redacted]

196C-LA-205098-105
#105 mls

(12/31/1995)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 05/06/1998

To: Los Angeles

Attn: SA [REDACTED]

From: Boston
[Handwritten signature]

Contact: SA [REDACTED]

Approved By: [REDACTED]

Drafted By: [REDACTED]

Case ID #: 196C-LA-²⁰⁸⁰⁹⁸~~172387~~

Title: J.B. OXFORD;
FBW; SECURITIES FRAUD;
OO: LOS ANGELES

Synopsis: This EC forwards Boston source information.

Enclosures: Enclosed for the Los Angeles Division are two copies of an investigative insert concerning J.B. OXFORD employees.

Details: Captioned source is [REDACTED]

[REDACTED] This information is being provided for whatever use deemed appropriate by the Los Angeles Division. Source is available for future contacts and/or questioning as Los Angeles Division deems appropriate.

♦♦

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196C-LA-208098-106
#106
MSS

09/27/99
12:52:48

View Document Attributes

ECFVA0M0

Orig. Office	: NY	Responses	:
Document Type	: EC	Text	. . :
Document Date	: 08/27/99	FIF	. . . :
To : LOS ANGELES		
From : NEW YORK		
Case ID	. . . : 196C-LA-208098	Serial	: 107
Topic : TO ADVISE LOS ANGELES DIVISION THAT DOCUMENTS REQUESTED		
Author	. . . :		
Approver	. . :		
Ref. Case ID	:	Serial	:

Class Level	: SN	Authority	:	Duration	:	SCI	:
Rule 6(e)	. :	Caveats	. :	FD-501	. :		

Command . . . > +
F1=Help F3=Exit F4=Prompt F12=Cancel F14=List F16=NextDoc

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/10/99

[redacted]
[redacted] appeared at the offices of the United States Attorney, Los Angeles, California, on behalf of their client [redacted]. Also present during the meeting was Assistant United States Attorney (AUSA) [redacted] and AUSA [redacted].

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[redacted] advised that [redacted] became the [redacted] when he was 29 years old.

[redacted] had a "cordial" relationship with Irving Kott, and only sold stock that was "cran" because he had been instructed to do so by Kott or [redacted].

On one occasion, [redacted] and Kott had an argument because Kott had instructed [redacted] to sell INTSYS stock. [redacted] told Kott that INTSYS was not a good stock and Kott insisted he sell the stock because Kott had done the research on the stock.

[redacted] believed that Kott was involved in every aspect of the business. [redacted] has observed Kott directing [redacted] to do things in a certain way. [redacted] believed that Kott never gave [redacted] orders, but only recommendations.

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[redacted] indicated that [redacted] had no knowledge of any J.B. Oxford brokers participating in any fraudulent activity with the firms customers.

[redacted] was familiar with the various house accounts and "161" accounts. [redacted] had heard of "EBC", but was not aware that it was a Kott account.

It was very clear to [redacted] that Kott had a "very close" relationship with [redacted]. [redacted] believed that Kott was at J.B. Oxford to oversee the large investment that [redacted] had made in the firm. When [redacted] visited the office, Kott would show [redacted] around instead of [redacted].

In reference to handwritten notes created by [redacted]

Investigation on 7/15/99 at Los Angeles, CA.

File # 196C-LA-208098

Date dictated _____

by SA [redacted]

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

196C-LA-208098-

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222CHS01.302

196C-LA-208098

Continuation of FD-302 of _____, On 7/15/99, Page 2

_____ indicated that _____ had only been a trader for one and one-half years. _____ had no knowledge of any "illegalities" at the time the notes were created. _____ created the notes, in part, because he was concerned about Kott.

_____ salary was determined by how he "bets" and was derived from the profitability of his trading. _____ sits at a computer and receives orders from the retail side and correspondents. An order is received to either buy or sell a stock. _____ then makes a decision to either buy or sell the stock at that time. _____ maintained an inventory of 40 to 50 stocks at one time. b6 b7c

_____ has no knowledge of "background" agreements between J.B. Oxford and firms such as Stratton Oakmont or Biltmore Securities.

_____ indicated that the June 12, 1996 note was written when _____ was brand new. _____ is unsure if the information in the notes was received directly from the trading floor or if it was "circulated" back to him. _____ wrote the note because he was concerned about Kott, specifically because Kott calling him to set the spread. _____ was concerned because spreads are set by the traders.

_____ believed that Kott could have been involved with Legacy because it was a House Stock. _____ informed _____ that the Legacy stock was purchased from Biltmore Securities. _____ never knew why _____ bought the stock. It was a marked departure from standard business practices for the president of a brokerage firm to purchase stock without the trader doing the trade.

There were times when J.B. Oxford held "a ton of bad stock", and they continued to go out into the market and purchase more.

_____ explained that the second note referred to a prearranged trade between _____ and Stratton Oakmont for the purchase of 10,000 shares of Legacy. A prearranged deal is where two Market Makers do a deal on the side. The transactions caused concern for _____ because it appeared that the deal had been negotiated by the two parties. _____ found it unusual for the president of the company to be conducting trades, and was concerned that _____ was involved with other trades on the side. b6 b7c

Regarding the August 14, 1996 note, _____ approached _____ in his office and informed him that he did not feel comfortable doing those trades. _____ also expressed his concern over the fact that the trading room was being bypassed on some of the

196C-LA-208098

Continuation of FD-302 of _____, On 7/15/99, Page 3

trades.

[redacted] believed that the note referring to "NTSTU S7000, S7000", was written by [redacted]

[redacted] was aware that [redacted] was an executive at OISI, and that Kott was a big promoter of the stock. J.B. Oxford held a large amount of OISI stock and continued to purchase more. Kott was very insistent that they buy the stock.

Regarding the fourth undated note relating to a 50 cent incentive being paid to brokers; [redacted] found it unusual for the president to set the credit to the brokers. The credit is usually set by the trader. In this case, the 50 cent credit covered the spread and the trader made no money. b6 b7C

[redacted] indicated that he had no knowledge of a June 17, note regarding a 75 cent incentive. [redacted] are "pretty close".

196C-LA-208098 -109

mtz

(01/26/1998)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 09/16/1999

To: Los Angeles

From: Los Angeles, CA.

Contact: SA [REDACTED]

Approved By: [REDACTED]

Drafted By: [REDACTED] chs

Case ID #: 196C-LA-208098

Title: J.B. OXFORD HOLDINGS;
IRVING KOTT;
SECURITIES FRAUD;

Synopsis: Memorialize telcal between Special Agent (SA) [REDACTED]
[REDACTED] and [REDACTED] Attorney, Sidley & Austin,
Washington, D.C.

Details: On 9/16/99, SA [REDACTED] contacted [REDACTED]
[REDACTED] regarding an interview that is scheduled
for 9/22-24/99 with the Securities and Exchange Commission
(SEC), FBI and [REDACTED] granted approval for SA [REDACTED] to
provide SEC attorneys with copies of FD-302's of a previous
interview conducted by SA [REDACTED] and SA [REDACTED] with
[REDACTED] agreed that a review
of the FD-302's by SEC attorneys would assist in providing for a
productive and efficient interview.

♦♦

UNCLASSIFIED BY C
DATE 9/20/99 - Rtn Plwd

196C-LA-208098-110

(01/26/1998)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 10/26/1999

To: Miami

Attn: SSRA [redacted]
WEST PALM BEACH RA

From: Los Angeles

Contact: [redacted]

Approved By: [redacted]

Drafted By: [redacted]

Case ID #: 196C-LA-208098

Title: IRVING KOTT, dba
JB OXFORD HOLDINGS, INC
ET AL;
SECURITIES FRAUD;

Synopsis: Travel of Los Angeles SA [redacted] to West
Palm Beach RA to interview [redacted]

Administrative: Referenced SA [redacted] Los Angeles
Telcal to SSRA [redacted] West Palm Beach, RA on 10/25/99.

Details: Captioned matter involves allegations that Irving Kott secretly acquired ownership and/or control of JB Oxford Holding, Inc (JBOC), a broker dealer, in June 1993 and then concealed that ownership and control from the SEC, the NASD and the investing public by causing JBOH to file false reports with and make false statements to the SEC. The investigation is also focusing on allegations that KOTT used JBOC, a number of other brokerage houses in the United States and Canada, to include Stratton Oakmont and an international network of nominees to carry out stock manipulation schemes involving the stock of at least four publicly traded companies. Kott is a stock manipulator of international repute, who was convicted of securities fraud in Canada in the 1970's and was the organizer of another large securities fraud scheme in the Netherlands in the 1980's that caused over \$200 million in losses to European investors.

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196C-LA-208098-111

CH 299027 EC

D

To: Miami From: Los Angeles
Re: 196C-LA-208098, 10/26/1999

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

SAC Miami and ADIC Los Angeles concur with SA [REDACTED]
travel to West Palm Beach, RA on 11/1-4/99.

LEADS:

Miami Division

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At West Palm Beach, Florida.

Set aside a conference room to be used by SA [REDACTED] in
interview of [REDACTED] on 11/2-3/99

♦♦

(01/26/1998)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 10/29/1999

To: Los Angeles

From: Los Angeles

Contact: [redacted]

Approved By: [redacted]

Drafted By: [redacted]

Case ID #: 66F-LA-A216771 (Pending)
196C-LA-208098 (Pending)

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Title: Cart Matters

Synopsis: Advise action to be taken regarding backlog leads.

Reference: 196C-LA-208098 Serial 62

Details: On October 28, 1999, telephonic contact was made with case agent, SA [redacted] to discuss status of lead. SA [redacted] advised that at this time there is no need for a CART examination. SA [redacted] further advised that he is receiving cooperation from company employees. SA [redacted] will advise if an examination is needed.

Since a CART examination is not required at this time, this lead is considered closed. If a CART examination is needed in the future, Case Agent should set fort a lead requesting a CART examination.

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196C-LA-208098-112

DAILY NEWS

BUSINESS

Markets ♦ Analysis ♦ Finance

Online: www.DailyNews.com *

Wednesday, February 16, 2000

Firm to pay \$2 million

By Chris Sieroty
Staff Writer

Discount brokerage settles fraud allegation

BEVERLY HILLS — A Beverly Hills discount brokerage firm has agreed to pay a \$2 million penalty to resolve a securities fraud investigation, the U.S. Attorney's Office said Tuesday.

JB Oxford Holdings Inc. and its subsidiary, JB Oxford & Co., also agreed to cooperate with the government in its ongoing

investigation of individuals and others associated with the brokerage firm.

The federal investigation focused on whether the company properly and accurately reported information regarding its former management and ownership in proxy filings with the Securities

and Exchange Commission.

The probe also looked into possible securities law violations dating back to 1993 that involved individuals and other companies associated with Irvin Kott, a convicted Canadian stock promoter and former consultant for the brokerage firm, said Jeffrey B. Isaacs,

assistant U.S. Attorney in Los Angeles.

In August 1997, the FBI, U.S. Postal Service and the SEC searched the company's Beverly Hills office, he said.

Nashville, Tenn.-based Third Capital Partners LLC took control of JB Oxford in May 1998 from

Oeri Finance of Switzerland and replaced directors and managers associated with Kott.

The firm also terminated all business dealings with Kott and ended its clearing arrangements with several East Coast brokerages, including New York-based Monroe Parker Securities Inc. and

Stratton Oakmont Inc., said Isaacs.

"The settlement closes a chapter we have tried to close since Third Capital took over the company almost two years ago," said Christopher L. Jarratt, JB Oxford Holdings chairman and chief executive officer.

"There is nothing negative about this settlement," added

See FRAUD / Page 2

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)

Date: 2-16-2000
Edition: DAILY NEWS

Title: Firm to pay \$2 million

Character:
or
Classification:
Submitting Office:

Indexing:

(X)

7

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1960-24-208098-113 FBI/DOJ

069 SAG 01.302

196C-LA-208098 - 1114

D
ms

SA [redacted]

TO

AUSA's

AUSA

SSA

Post M Supervisor

PRESENTATION

CHIEF MAJOR FRAUDS

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FOCUS OF JBOH/IRVING KOTT INVESTIGATION

- I. The Takeover
- [redacted] Investor Group
- II. RKS/JBOC Loans
- Oeri Finance:
- Convertible notes
- Demand notes
- [redacted]
- III. 8/10/94 Regulation S Investment
- [redacted]
- Oeri Finance
- IV. Kott "Cloud" Companies
- EBC Trust
- JBOH stock trades, percentage owned
- V. ARABELLA
- JBOH stock
- Poison pill
- VI. Other stock trades by Oeri Finance and EBC Trust in
- Hariston
- OISI
- Synergy/Western Pacific

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146C-LA-208098-115

(X)

D

I.

THE TAKEOVER

- [] Investor Group

- Allegation:

- Kott: Secretly was a majority shareholder of
RKS/JBOH

- Supporting Information

Completed to Date

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A. The analysis of units/shares purchased;
by the [] Investor Group;

B. The analysis of the source of funds
for the Investor Group;

C. The analysis of [] shares
beneficially owned by Irving Kott and
disposition of these shares;

D. Chronology (work in progress)

1) Summary of excerpts from SEC
depositions of

- []

2) Documents (two binders)

a) SEC filings (applicable)

- Sch. 13D's

- 8K's

- 1993 10K

- Form 144

- Amended Proxy Statement

b) RKS/JBOH minutes of BOD
meetings;

c) Cayman Island MLAT documents

- PYA documents showing:

- [] beneficial owner
of PYA;

- Costs associated with forming
PYA, paid by Tremblay;

- [] Director,
received instructions from
[]

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- PYA funds wire transfer to Senior/Roth BOA Investor Group account;
- [] faxes to [] which refer to orders from a person she calls "my friend" regarding PYA matters;
- PYA obtains funds through the sale of Consolidated Western Pacific stock;
- d) Bank statements, canceled checks, wire transfer
 - [] account - Bank of America;
 - [] - Mercantile National Bank, Bank of Calif.
- e) JBOC Account Statements
 - []
 - Oeri Finance
- f) Merit Account Statements
 - PYA
- g) Opinion letters (sale of JBOH stock)
 - []
- h) Telephone Records
- I) Dow Jones News Article: Group has 51% fully-diluted stake in RKS;

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Not Completed

- Excerpts from FBI/Postal interview reports;

SEC Filings

False and Misleading Statements to the SEC caused by Kott:

1. RKS - Sch. 13D dated 5/27/93
 - [] purchased 153,500 units with personal funds (funds came from Shea & Gould law firm by way of PYA, Cayman Island company controlled by Kott);
2. - Sch. 13D dated 6/8/93 Amendment 1
 - [] purchased 236,500 units with personal funds (funds came from PYA);
3. - Sch. 13D dated 6/11/93 Amendment 2

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- [redacted] purchased 300,000 units with personal funds (funds came from PYA);
- 4. - Sch. 13D dated 6/28/93 Amendment 3
 - [redacted] purchased 32,000 units with personal funds (funds came from Shea & Gould law firm by way of PYA);
 - [redacted] purchased 68,000 units with personal funds (funds came from PYA);
- 5. RKS 8K dated 7/1/93, change in control of the company;
- 6. JBOH Sch. 13 D dated 6/22/95 announcing [redacted] sale of 440,000 shares, which reduces his holdings to 440,000 shares (shares remaining owned by Kott);
- 7. Form 144 filed by [redacted] 4/1/96, announcing the sale of 440,000 shares, which he obtained on 5/28/93 and 6/8/93 in the share amounts of 153,500 and 326,500 with personal funds (funds came from PYA);
- 8. JBOH Sch. 13 D dated 4/1/96 announcing the [redacted] sale of 440,000 shares;
- 9. RKS amended proxy statement dated 6/28/93;
- 10. RKS Sch. 13 D dated 3/4/94 announcing [redacted] purchase of shares from [redacted] as identified in the second and third securities Purchase Agreements dated June 11 and 28, 1993;
- 11. RKS Sch. 13 D dated 5/1/94 Amendment #1 announcing [redacted] purchase of shares from Chris Sues;
- 12. RKS Sch. 13D dated 12/31/93, disclosing shares purchased by the investor group with personal funds;

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II.

RKS/JBOC Loans

- Oeri Finance
 - Convertible loans
 - Demand notes

[redacted]

- Allegation
 - Kott was a major creditor of RKS/JBOH

- Supporting Information
 - Completed to Date

A. The analysis of the convertible loan

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balance outstanding for the year-end periods of 1993-1997, balance agreed to applicable 10K's for the periods;

B. The analysis of RKS/JBOH loan balance

outstanding for Oeri Finance, [redacted]
[redacted]

C. The analysis of JBOH demand notes payable to Oeri Finance, but belonging to Kott, EBC Trust, Oeri Finance and [redacted]

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D. Documents

- Schedule showing the summary of loans and capital contributions to RKS/JBOH during the period from 1993 through 1997 compiled by [redacted]
- Summary of 1994 loan balances compiled by JBOH;
- Mystery schedule - summary of loans and common shares for Oeri Finance and [redacted]
- 1993 through 1997 10Ks;
- 1997 10-Q, period ended 3/31/97;
- 1998 10-Q's 3/31/98, 6/30/98, 9/30/98;
- 1998 Form 8K dated 6/8/98, change in control of Registrant-Third Capital;
- JBOH Sch. 13 D dated 5/26/98 - Third Capital Investment;
- March 10, 1995 Minutes, BOD meeting;
- Unsigned Borrower/Lender Agreement dated 6/26/94;
- Presentation to the BOD's 3/10/95 meeting
 - Summary of issuance \$6,615,000 [redacted] secure convertible note;
 - Term Loan Agreement with Oeri Finance;
 - Signed [redacted] secure convertible 2.8M Note Purchase Agreement dated 3/10/95;
 - JBOH Form 8K dated 3/10/98 Restructuring 100% of its 5,031,000 demand debt to term debt;
 - BDO audit report for years ending 1995 and 1996;
 - JBOC letter dated 1/3/97 from [redacted] regarding [redacted]

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- terms of loan arrangement between EBC Trust and JBOC;
- JBOC/Computation of basic net capital requirement for the years 1993-1996 (To do: determine if loans were used to meet net capital requirements);

Not Completed

- E) Chronology
 - Summarize applicable FBI/Postal interview reports, documents and SEC depositions;

III. 8/10/94 Regulation S Investment

-
- Oeri Finance

Allegation:

Irving Kott: Majority shareholder and major creditor of RKS/JBOH participated in the Regulation S Investment;

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- Supporting Information
- Completed to Date

A. The analysis of 8/10/94 Regulation S offering

Schedule

- 1 - Participants in offering
- 2 - Shares initially sold
- 3 - Disposition of shares
-
- Oeri Finance

B. Analysis of cash transfers in Oeri Finance JBOC account;

C. Analysis of JBOH stock traded by JBOC correspondents Stratton Oakmount, Monroe Parker and Biltmore totaling 4,160,000 shares;

D JBOH stock trades analyzed in Oeri Finance accounts at:

<u>Brokerage</u>	<u>Acct. No.</u>
JBOC	15605541

Swiss American
Securities 961-758-0
Merit 317140-8

E. JBOH stock trades analyzed in [redacted]
[redacted] account at JBOC;

F. Schedules prepared by [redacted]
[redacted] at SA [redacted] direction for JBOH
trades made by the following
correspondents:
- Stratton Oakmount - OKOK
- Monroe Parker - MOPA
- Biltmore - BLT

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[redacted] also prepared reports at
SA [redacted] direction for JBOH stock
trades by the following individuals or
companies:
- Salcott holdings
- Arabella
- EBC Trust
- Caledonian Ent.
- Oeri Finance
- [redacted]
- Platino Trading
- Vernon Finance
- Turret Consultants
- 141377 Canada
- Yorkshire Capital

[redacted] also prepared reports at
SA [redacted] direction for OISI and
Hariston (HRSNF) stock trades made by the
following correspondents:

- HRSNF trades
 - Stratton Oakmount
 - Greenway
 - [redacted]
- OISI trades
 - Greenway
 - Biltmore
 - [redacted]

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[redacted] also prepared reports at
SA [redacted] direction for OISI and
HRSNF trades made by the following
individuals or companies:

- Oeri Finance
- EBC Trust

To be Completed

Chronology: Summarize information from applicable FBI/Postal interview reports, documents, SEC depositions and FBI schedules;

Documents

- JBOH letter dated 3/27/95 from [redacted] to [redacted] Re: 555,555 Oeri Finance shares;
- JBOH letter dated 4/19/98 from [redacted] to [redacted] Re: three stock certificates totaling 555,555 shares;
- JBOH sch 13 D dated 8/10/94 Re: Regulation S Offering Memorandum to [redacted]
- JBOH sch 13 D Amendment #1 dated 8/10/94;
- JBOH sch 13 D dated 8/10/94 for Oeri Finance;
- JBOH sch 13 D Amendment #1 dated 8/10/94 for Oeri Finance;
- JBOH sch 13 D Amendment #2 dated 6/22 and 6/25/95 for [redacted]
- Form 3 - Disclosing [redacted] owns 555,556 shares of JBOH stock;
- JBOH Proxy Statement dated 8/7/95;
- [redacted] generated reports of JBOH stock trades by JBOC correspondents Stratten Oakmount, Monroe Parker and Biltmore;
- [redacted] generated reports of JBOH stock trades by certain individuals or companies;
- JBOH stock quotes;

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Allegations

- Stock Manipulation
 - Conspiracy -
4.1mm JBOH shares traded between 3/23/95 through 6/30/95 (Kott & Associates dumping the stock);
 - JBOC correspondents Monroe Parker, Stratton Oakmount and Biltmore pushing the stock on their clients;
 - For JBOC to clear for MOPA, OKOK and Biltmore, they had to push Kott's stocks, which included JBOH;
 - [redacted] of MOPA admitted that the JBOH stock price was intentionally manipulated upward by upticking the price by OKOK;
 - Per JBOH, 1st Qtr 1995 10Q, as of 5/10/98, 6.4mm shares O/S;
 - Per JBOH, 2nd Qtr 1995 10Q, as of 8/8/95, 8.6mm shares O/S;
 - (As a result of 4.1mm JBOH shares dumped into the market, the price should go down, not up.)
- Regulation "S" Securities Fraud
 - Of the 4.1mm JBOH shares traded, 2.6 million was Regulation "S" stock. Half of the Regulation "S" stock sold was Kott's. Kott is a majority shareholder and major creditor of JBOH, thus not allowed to participate in Regulation "S" offering. Shareholders that invested in the company: their stock became diluted when Kott illegally dumped his Regulation "S" stock in the market.
- SEC Filings
 - False and Misleading Statements to the SEC caused by Kott
 - JBOH Sch. 13D dated 8/10/94 announcing Regulation "S" offering for Felix Oeri (shares owned by Kott);
 - JBOH Sch. 13D, Amendment #2 dated 6/22 and 6/26/95 announcing the sale of the A&B Warrants by [redacted]
[redacted] the Sch. 13D list the shares remaining as 946,668 (1,666,668 less 470,000 shares and 250,000 shares total 946,668);
False Statements: The shares are owned by Kott, the figure for the shares remaining is wrong. The 946,668 amount does not reflect the shares sold on March 22, 1995 and April 26, 1995 by Monroe Parker. These were the original Regulation "S" shares. There was no Sch. 13D filed for these trades.

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- Form 3 - Disclosing that [redacted] owns 555,556 shares of JBOH stock (owned by Kott);
- 10K for 1994 incorporates by reference the 8/7/95 Proxy Statement, which talks about security ownership of certain beneficial owners;
- 10K for 1995, talks about the beneficial owner owning more than 5%;
- 10K for 1996 incorporates by reference the 8/19/97 Proxy Statement that Felix Oeri owns 23% of JBOH stock;

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IV. EBC Trust

- JBOH stock trades
 - Supporting Information

Completed to Date

- A. JBOH stock trades analyzed in EBC Trust accounts at:

<u>Brokerage</u>	<u>Account No.</u>
JBOC	15261402
Merit	18620B-0

- B. Funds flow analysis of JBOC wire transfers to EBC Trust and Woodbury Enterprises, stock proceeds from trades in JBOH, Hariston, Cons. Western, OISI, Smartel, Intasys;

V.

- Arabella
- Trades
 - JBOH stock
- Poison Pill
- Allegation

Arabella acquired a large block of JBOH stock, over 5% in order for Kott's Preferred Stock (in the name of Oeri Finance) to be converted into Common Stock at a lower price, thus more shares;

- Supporting Information

Completed to Date

- A. JBOH stock trades analyzed in Salcott holdings JBOC account, No. 14715918;

B. SEC Depositions

- [REDACTED]
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Documents

1. Report of JBOH stock trades by Arabella, Salcott holdings and Caledonian; prepared by [REDACTED]
2. Sch. 13D dated 5/16/96 announcing Arabella's purchase of 462,000 shares of JBOH stock or 5.3% of the stock;
3. Sch. 13D, Amendment #1 dated 10/25/96 announcing Arabella's additional purchase of 159,000 shares of JBOH stock or 7.1% of the stock;
4. JBOC account statements for Salcott holdings;
5. JBOC account statements for Caledonian Enterprises;
6. SEC schedule of JBOH stock trades by Arabella;
7. JBOH 1996 10K reflecting rate change for the conversion;
8. JBOH 2nd quarter 1995 10Q, reporting that Oeri Finance converted Preferred shares to Common stock;
 - False statement - Kott also converted the Preferred shares to Common stock;

INVESTOR GROUP SOURCE OF FUNDS ANALYSIS

Date	RKS BofA Account	<div style="border: 1px solid black; width: 100px; height: 1.2em; display: inline-block;"></div> BofA Account	Source of <div style="border: 1px solid black; width: 100px; height: 1.2em; display: inline-block;"></div> Funds	Units Purchased	Owner of Units
5/28/93	\$591,875	\$400,000	WSP	400,000	<div style="border: 1px solid black; width: 100px; height: 1.2em; display: inline-block;"></div>
		(A) \$192,120	Shea & Gould (C)	153,500	<div style="border: 1px solid black; width: 100px; height: 1.2em; display: inline-block;"></div>
6/8/93	\$408,091	(A) \$360,000	PYA - CIBC	326,500	<div style="border: 1px solid black; width: 100px; height: 1.2em; display: inline-block;"></div>
		(A) \$47,880	Shea & Gould (C)		
6/11/93	\$300,000	(B) \$290,000	PYA - CIBC	300,000	<div style="border: 1px solid black; width: 100px; height: 1.2em; display: inline-block;"></div>
6/14/93	\$75,000	(B) \$25,000	Shea & Gould (C)	32,000	<div style="border: 1px solid black; width: 100px; height: 1.2em; display: inline-block;"></div>
		(B) \$99,988	Canadian Capital Financial Market (Hariston Subsidiary)		
6/24/93	\$125,034	\$85,000	PYA - CIBC	68,000	Sues
	<u>\$1,500,000</u>	<u>\$1,499,988</u>			

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(A) Amounts total \$600,000, which is total cost of units
(153,000 + 326,500 = 480,000 units x \$1.25 = \$600,000)

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(B) Amounts total \$414,988, which is total cost of units
(300,000 + 32,000 = 332,000 units x \$1.25 = \$415,000) less \$12

(C) Amounts totaled \$265,000, the money of those funds were possibly from the 5/12/93
PYA-CIBC wire transfer to Shea & Gould in the amount of \$440,000.

RKS INVESTOR GROUP UNITS PURCHASED

Investor	Date	Units Purchased	Cost	Schedule 13D
	5/27/93	(A) \$153,500	\$191,875	5/27/93
	5/27/93	160,000	200,000	5/27/93
	5/27/93	160,000	200,000	5/27/93
	5/27/93	400,000	500,000	5/27/93
	6/8/93	326,500	408,125	6/8/93 #1
	6/11/93	300,000	375,000	6/11/93 #2
	6/28/93	32,000	40,000	6/28/93 #3
	6/28/93	68,000	85,000	6/28/93
		(B) \$1,600,000	\$2,000,000	

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(A) Each investor received a warrant to purchase one additional share of stock at the exercise price of \$1.25 for each share originally purchased, such exercise must occur within 18 months of the initial investment.

(B) The 1,600,000 units represent control of 51% of RKS shares (per schedule 13D dated 5/27/93).

JBOH SHARES BENEFICIALLY OWNED BY IRVING KOTT

Name	Date	Units Purchased	Cost	# of shrs of common stk beneficially owned	Beneficially owned shrs as % of shrs o/s	Source of funds	Documents	Disposition of shares
	5/27/93	153,500	\$191,875	326,500	24.7%	Shea & Gould	RKS Sch13D dated 5/27/93.	On 7/19/95, 440,000 shares transferred from [] account to Oeri Finance's account at JBOC. The shares were then transferred from [] account at Swiss American Securities. All or some of these shares were delivered to [] account at Merit.
				326,500			RKS 8K dated 7/1/93.	
				307,000			Securities purchase agreement #1 dated 5/27/93.	
				125,000			Amended proxy statement dated 6/28/93.	
				250,000				
				<u>① 1,335,000</u>				
	6/8/93	326,500	\$408,125	125,000		PYA-CIBC \$360,000	RKS Schedule 13D dated 6/8/93 Amend#1, announces [] purchased 326,500 units.	
		480,000	\$600,000	960,000		Shea & Gould \$47,880		
				250,000			Securities purchase agreement #2 dated 6/11/93.	
				<u>② 1,335,000</u>	24.7%			

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① Includes 326,500 and 326,500 warrants to purchase shares which are to be acquired under the Securities Purchase Agreement, 153,500 shares which may be acquired upon the exercise of warrants and 375,000 shares (125,000 + 250,000) which may be acquired upon exercise of options (Sch. 13D, dated 5/27/93, 8K dated 7/1/93).

② Includes 480,000 shares which may be acquired upon the exercise of warrants and 375,000 shares (125,000 + 250,000) which may be acquired upon exercise of options (Sch. 13D Amend#1 dated 6/8/93).

JBOH SHARES BENEFICIALLY OWNED BY IRVING KOTT

Name	Date	Units Purchased	Cost	# of shrs of common stk beneficially owned	Beneficially owned shrs as % of shrs o/s	Source of funds	Documents	Disposition of shares
	8/11/93			125,000	18.7%		RKS Sch13b dated 8/11/93 Amend#4 announces right to exercise options of [redacted] to purchase 250,000	
				960,000				
				1,085,000				
	3/4/94	332,000	\$415,000	125,000	27.9%	20th Century Fox deposited \$773,265 into [redacted] acct. [redacted] \$415,000 check to [redacted] law firm. The check was endorsed by [redacted]	RKS Sch13b dated 3/4/94 announces [redacted] purchase of [redacted] shares.	On 6/27/95, 440,000 shares were sold at \$1.50 to OKOK. 400,000 of the shares were purchased from [redacted]. Total proceeds from sale was \$660,000. \$360,000 of proceeds was deposited into [redacted] Bank of California account. On 6/28/95, [redacted] uses \$226,687.50 of Bank of California funds to make a loan payment. On 6/27/95, \$200,000 is transferred from [redacted] BOC account to [redacted] JBOC account. On that same day, \$250,000 from [redacted] JBOC account gets transferred to Hariston per LOA. On 6/27/95, [redacted] pays down a \$100,000 loan to JBOC with proceeds from his JBOC account.
				960,000				
				664,000				
				1,749,000				
	5/1/94	68,000	\$85,000	125,000	30.0%		RKS Sch13b dated 5/1/94 Amend#1 announce [redacted] purchase of [redacted] shares.	
				960,000				
				664,000				
				136,000				
				1,885,000				

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JBOH SHARES BENEFICIALLY OWNED BY IRVING KOTT

Name	Date	Units Purchased	Cost	# of shrs of common stk beneficially owned	Beneficially owned shrs as % of shrs o/s	Source of funds	Documents	Disposition of shares
[REDACTED]	6/11/93	300,000	\$375,000	600,000	10.8%	PYA-CIBC \$290,000 CCFM \$99,988	RKS Sch13b dated 6/11/93 amend#2, announces [REDACTED] purchased 300,000 units. Securities purchase agreement #2 dated 6/11/93.	
	6/28/93	32,000	\$40,000	664,000	11.7%		RKS Sch13D dated amend#3, announce [REDACTED] acquired additional 40,000 units. Securities purchase agreement #3.	
		332,000	\$415,000					
	3/4/94	(332,000)		136,000	2.5%			Shares purchased by [REDACTED]
		0						
[REDACTED]	6/28/93	68,000	\$85,000			PYA-Merit \$85,000	RKS Sch13D dated amend#3, announce [REDACTED] acquired 68,000 units.	
	5/1/94	(68,000)						Shares purchased by [REDACTED]
		0						

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Schedule III

Reg S Shares

Original Shares: Delivered to JBOC Account number 12605549

<u>Date</u>	<u>Shares</u>	<u>Comment</u>
3/28/95	555,556	Original Shares
4/24/95	(555,556)	Shares broken up
4/24/95	382,973	Transferred to Oeri Finance JBOC account 15605541, later sold to MOPA at 1.13 during period of 4/13-24/90.
4/24/95	172,583	Delivered back into account. 27,800 & 2,000 shares deliverred to Oeri Finance (Merit) and sold. 94,283 shares delivered to Oeri Finance (JBOC)
4/26/95	(27,800)	<input type="text"/> Merit
5/95	(2,000)	<input type="text"/> Merit
4/26/95	(48,500)	<input type="text"/> ?
7/19/95	(94,283)	<input type="text"/> JBOC

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[REDACTED]

A & B Warrants

[REDACTED] JBOC Account

<u>Date</u>	<u>Shares</u>	<u>Comment</u>
3/29/95	555,556	A warrants delivered
3/29/95	555,556	B warrants delivered
6/21/95	(555,556)	A warrant excercised delivered to S. Munson per acct. statement.
6/23/95	(555,556)	B warrant excercised
6/23/95	455,556	A warrant shares received
6/26/95	100,000	A warrant shares received
6/27/95	555,556	B warrant shares received
6/27/95	(470,000)	Sold to OKOK at \$1.50.
6/29/95	(250,000)	Sold to OKOK at \$1.50
	=====	
7/19/95	391,112	Shares remaining, delivered to Oeri Finance at JBOC.

Oeri Finance Reg S Shares

Original Shares: Delivered to the Oeri Fiance Omnibus account at JBOC.

<u>Date</u>	<u>Shares</u>	<u>Comment</u>
3/24/95	555,555	Received
3/29/95	(555,555)	Sold to MOPA at 1.25
4/25/95		
5/15/95	555,555	A warrants received
5/15/95	555,555	B warrants received
		(A & B warrants excercised on 6/16/95 & 6/20/95)
6/15/95	(500,000)	Sold to OKOK at \$1.50
6/21/95	(250,000)	Sold to OKOK at \$1.50
6/21/95	(250,000)	Sold to OKOK at \$1.50
6/26/95	(30,000)	Sold to investor
6/30/95	(75,000)	Delivered to Oeri Finaces at Merit and sold.
	=====	
	6,110	Shares remaining

8/10/94 Reg S Shares

Remaining in Oeri Finance JBOC Account

<u>Date</u>	<u>Shares</u>	<u>Comments</u>
7/19/95	391,112	Remaining [] A & B warrants shares delivered to Oeri Finance JBOC account.
7/19/95	94,283	Remaining [] original Reg S Shares delivered to Oeri Finance JBOC account.
	6,110	Remaining Oeri Finance original Reg S Shares.
	=====	
	491,505	
7/19/95	40,000	[] original investor group shares received.
7/19/95	400,000	" " "
9/7/95	78,000	Shares purchased from OKOK & MASH
9/26/95	20,000	" " "
9/28/95	208,934	Shares received from Oeri Finance Merit account.
	=====	
	1,238,439	

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<u>Date</u>	<u>Shares</u>	<u>Comments</u>
	1,238,439	
10/18/95	(100,000)	Sold - [REDACTED]
10/18/95	(1,000)	Sold - Swiss Customer
10/31/95	148,600	Received - Oeri Fiance Merit
11/2/95	9,000	Purchased
11/2/95	(87,050)	Sold ?
11/24/95	(17,000)	Sold [REDACTED]
12/4/95	(200,000)	Sold - [REDACTED]
12/8/95	14,900	Received Oeri Finance Swiss American
12/27/95	(155,000)	Delievered Oeri Finance Swiss American
12/28/95	38,500	Received Oeri Finance Merit
1/4/96	6,500	Purchased - [REDACTED]
1/5/96	4,000	Received - Oeri Finance Merit
1/26/96	(118,886)	deleivered to PALIM per LOA.
3/28/96	(300,000)	Sold - Gramin Real Estate
	=====	
	481,002	Shares remaining
5/23/96	(331,002)	440,000 consist of [REDACTED] [REDACTED] shares delievered to Oeri Finance Swiss American account
5/29/96	(150,000)	" " " "

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RKS/JBOH OUTSTANDING LOAN BALANCES
For Years Ended

Name	1993	1994	1995	1996	1997
<div></div>	\$1,000,000	\$3,500,000	\$4,097,052	\$3,918,695	\$3,918,695
<div></div>	\$531,000	\$531,000	\$525,491	\$502,616	\$502,616
<div></div>	\$225,000	0	0	0	0
<div></div>	\$100,000	\$59,905	0	0	0
TOTAL*	\$1,856,000	\$4,090,905	\$4,622,543	\$4,421,311	\$4,421,311

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* Balances agree to RKS/JBOH 10k.

RKS LOANS For Year Ended 1993

Date	Name	Amount	Balance
9/17/93		100,000	\$100,000
9/17/93		500,000	600,000
9/17/93		231,000	831,000
9/24/93		400,000	1,231,000
9/24/93		230,000	1,461,000
9/24/93		400,000	1,861,000
9/24/93		225,000	2,086,000
10/27/93		(1,000,000)	1,086,000
11/12/93		(230,000)	856,000
12/31/93		1,000,000	\$1,856,000 (A)

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(A) Agreed to RKS 1993 10κ.

JBOH LOANS **For Year Ended 1994**

Date	Name	Amount	Balance	Comments
12/31/93		1,000,000	\$1,000,000	
9/23/94		200,000	1,200,000	[] loan reassigned to []
9/23/94		500,000	1,700,000	
9/30/94		700,000	2,400,000	
10/18/94		700,000	3,100,000	
11/25/94		400,000	3,500,000	
		531,000	4,031,000	Loan outstanding
		59,905	\$4,090,905	Unpaid balance per 1994 10k agrees to [] schedule.

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ANALYSIS OF LOAN REPAYMENTS BY JBOH

For Year Ended 1994

Date	Name	Amount	Balance	Comments
		\$1,000,000	\$1,000,000	Loans reassigned to
		200,000	1,200,000	Loans reassigned to
9/1/94		20,000	1,220,000	
11/16/94		3,000	1,223,000	
11/11/94		10,000	1,233,000	
11/94		7,095	1,240,095	
4/20/94	Stratton	25,000	\$1,265,095 (A)	

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(A) JBOH 1994 10k disclosed two shareholder's repaid a total of \$1,265,095.

JBOH LOANS For Year Ended 1995

Date	Name	Amount	Balance	Comments
12/31/94		\$4,090,905	\$4,090,905	1994 outstanding balance.
1/13/95		500,000	4,590,905	
1/27/95		500,000	5,090,905	
3/10/95		2,000,000	7,090,905	
7/20/95		(2,000,000)	5,090,905	Converted to 200,000 preferred shares.
9/19/95		(360,000)	4,730,905	Payment.
11/1/95		(21,394)	4,709,511	Interest payment.
11/30/95		(21,554)	4,687,957	Interest payment.
1/17/95		(7,500)	4,680,457	Payment to
7/21/95		(50,552)	4,629,905	Payment to
11/20/95		(1,853)	4,628,052	Payment to
11/1/95		(2,744)	4,625,308	Payment to
12/1/95		(2,765)	\$4,622,543	Payment to

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Oeri	Wine	
\$4,097,052	\$531,000	Outstanding 1994 Balance
	(2,744)	11/1/95 interest payment
	(2,765)	12/1/95 interest payment
\$4,097,052	\$525,491	Outstanding 1995 Balance

JBOH LOANS

For Year Ended 1996 and 1997

1996 Beginning Balance	\$4,622,543
Less: Interest Payments	<u>(201,232)</u>
1997 Ending Balance	<u><u>\$4,421,311</u></u>

Date	Oeri	Wine	Balance	Comments
12/31/95	\$4,097,052	\$525,491	\$4,622,543	1995 Outstanding Balance
1/4/96	(21,716)	(2,785)	4,598,042	Interest Payment.
2/6/96	(21,879)	(2,806)	4,573,357	Interest Payment.
2/28/96	(22,043)	(2,827)	4,548,487	Interest Payment.
4/1/96	(22,208)	(2,848)	4,523,431	Interest Payment.
4/29/96	(22,375)	(2,870)	4,498,186	Interest Payment.
6/3/96	(22,542)	(2,891)	4,472,753	Interest Payment.
7/1/96	(22,712)	(2,913)	4,447,128	Interest Payment.
8/1/96	(22,882)	(2,935)	\$4,421,311 (A)	Interest Payment.
	<u>\$3,918,695</u>	<u>\$502,616</u>		

(A) Per 1997 10K, the convertible note outstanding at 12/31/97 is the same ending balance as 12/31/96.

OERI FINANCE OUTSTANDING LOANS TO RKS/JBOH

Date	Amount	Balance	Comments
12/31/93	1,000,000	1,000,000	Funds obtained from sale proceeds of Hariston/Consolidated Western Pacific preferred stock.
7/8/94	1,000,000	2,000,000	Loan made into Reg S investment.
8/25/94	(1,000,000)	1,000,000	
9/23/94	200,000	1,200,000	Loan reassigned from B []
9/23/94	500,000	1,700,000	Loans of 500,000 + 700,000 = \$1,200,000 documented in the term loan agreement for \$1,200,000 referenced in Loan Agreement Doc No.
9/30/94	700,000	2,400,000	
10/18/94	700,000	3,100,000	Loans of 700,000 + 400,000 + 500,000 = \$1,600,000 and the loans made on 9/23/94 & 9/30/94 for 500,000 & 700,000 equal \$2,800,000 referenced in Loan Agreement Doc No.
11/25/94	400,000	3,500,000	
1/13/95	500,000	4,000,000	
1/27/95	500,000	4,500,000	
3/10/95	2,000,000	6,500,000	Per "mystery document" loan summary [] 4.85) + [] 1.65) = 6.50
7/20/95	(2,000,000)	4,500,000	Converted to 200,000 shrs of preferred stock. Per "mystery document" loan summary [] 3.35) + [] 1.15) = 4.50
9/19/95	(360,000)	4,140,000	Payment.
11/1/95	(21,394)	4,118,606	Payment.
11/30/95	(21,554)	4,097,052	Payment. [] outstanding loan balance year ended 1995.
1/4/96	(21,716)	4,075,336	Payment.
2/6/96	(21,879)	4,053,457	Payment.
2/28/96	(22,043)	4,031,414	Payment.
4/1/96	(22,208)	4,009,206	Payment.
4/29/96	(22,375)	3,986,831	Payment.
6/3/96	(22,542)	3,964,289	Payment.
7/1/96	(22,712)	3,941,577	Payment.
8/1/96	(22,882)	3,918,695	Payment. Agrees to [] summary of RKS/JBOH loan balances.

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LOANS TO RKS/JBOH

[REDACTED] & HARETON			
Date	Amount	Balance	Comments
9/17/93	500,000	500,000	
9/17/93	231,000	731,000	
9/24/93	400,000	1,131,000	
9/24/93	230,000	1,361,000	
9/24/93	400,000	1,761,000	
11/12/93	(230,000)	1,531,000	Payment to WSP.
10/27/93	(1,000,000)	531,000	Payment to [REDACTED]
11/1/95	(2,744)	528,256	Interest payments.
12/1/95	(2,765)	525,491	Interest payments.
1/4/96	(2,785)	522,706	Interest payments.
2/6/96	(2,806)	519,900	Interest payments.
2/28/96	(2,827)	517,073	Interest payments.
4/1/96	(2,848)	514,225	Interest payments.
4/29/96	(2,870)	511,355	Interest payments.
6/3/96	(2,891)	508,464	Interest payments.
7/1/96	(2,913)	505,551	Interest payments.
8/1/96	(2,935)	502,616	Agrees to [REDACTED] summary of RKS/JBOH loan balances.

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BILL STRATTON

Date	Amount	Balance	Comments
1993	225,000	225,000	
9/23/94	(200,000)	25,000	Reassigned to [REDACTED]
4/20/94	(25,000)	0	Payment.

WALTER SENIOR

Date	Amount	Balance	Comments
9/17/93	100,000	100,000	
9/1/94	(20,000)	80,000	Payment.
11/11/94	(10,000)	70,000	Payment.
11/16/94	(3,000)	67,000	Payment.
11/94	(7,095)	59,905	Payment.
1/17/95	(7,500)	52,405	Payment.
7/21/95	(50,552)	1,853	Payment.
11/20/95	(1,853)	0	Payment.

TERM DEBT BALANCE As of March 1995

Name	Amount	Comments
	\$3,500,000	1994 Term debt
	531,000	1994 Term debt
	59,905	1994 Term debt
	(7,500)	1/17/95 payment
	500,000	New loan
	500,000	New loan
	<u>\$5,083,405</u>	
W. Senior	<u>(52,405)</u>	Outstanding loan balance (not included in the restructuring).
	<u>(A) \$5,031,000</u>	Term Debt Balance (as of March 1995)

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- (A) Per 1997 10K, March 1995 company restructured 100% of its \$5,031,000 demand debt to term debt in the form of secured convertible notes.

DEMAND NOTES JBOH 1997

Date	Name	Amount	Balance	Comments
1/29/97	EBC Trust	\$2,000,000	\$2,000,000	<div style="border: 1px solid black; width: 100px; height: 100px;"></div>
8/1/97	<div style="border: 1px solid black; width: 100px; height: 50px;"></div>	1,400,000	3,400,000	
8/1/97		100,000	3,500,000	
8/1/97		250,000	3,750,000	
8/1/97	EBC Trust	800,000	4,550,000	
9/25/97	<div style="border: 1px solid black; width: 50px; height: 50px;"></div>	(135,000)	4,415,000	Payment.
6/27/97		(\$200,000)	4,215,000	Payment.
10/21/97		(150,000)	4,065,000	Payment.
11/10/97		(\$1,147,500)	2,917,500	Exercise of warrants from \$4.5mm convertible notes.
12/97		(50,000)	\$2,867,500 ^(A)	Deducted from outstanding balance of demand notes.

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^(A) Agrees to summary of RKS/JBOH loan balances.

JBOH DEMAND NOTES

[REDACTED]

Amount	Comments
\$2,000,000	EBC Trust
1,400,000	[REDACTED]
100,000	
3,500,000	
(1,147,500) (A)	Warrant exercise 11/10/97: cost to exercise warrants from convertible note done by [REDACTED] without [REDACTED] permission. Cost applied against the outstanding demand note balance.
\$2,352,500	Sum of Kott & [REDACTED] demand note balance. (\$1,139,375 + \$1,213,125)
1,275,000	Total warrants per "mystery schedule".
0.90	Exercise price
\$1,147,500 (A)	Cost to exercise warrants.

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NOTE: Per Oeri, on 8/18/97 [REDACTED] showed up at [REDACTED] office with four demand notes in the name of Oeri Finance. The notes belonged to the following individuals/companies:
(1) Kott - \$1,139,375, (2) [REDACTED] \$1,213,125, (3) EBC Trust - \$800,000, (4) [REDACTED] \$250,000.

CALCULATION OF NOTES:

(1) Kott = \$1,139,375

1,147,500	Total cost to exercise warrant
75%	[REDACTED] Kott owned 75% of convertible
\$860,625	Kott's percentage of cost to exercise of warrant
2,000,000	EBC Trust demand note
(860,625)	Cost of warrant exercise
\$1,139,375	

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(2) [REDACTED] = \$1,213,125

1,147,500	Total cost to exercise warrant
25%	Per [REDACTED] owned 25% of convertible
\$286,875	

1,500,000	[REDACTED] demand note balance (1,400,000 + 100,000)
(286,875)	
\$1,213,125	[REDACTED] demand note balance

(3) EBC Trust = \$800,000

No calculation, amount loaned to JBOH on 8/1/97.

(4) [REDACTED] \$250,000

No calculation, amount loaned to JBOH on 8/1/97.

DIVORCE AGREEMENT WITH THIRD CAPITAL

Date	Amount	Comment	
	\$1,213,125	 demand balance outstanding.	
6/27/97	(200,000)	Payment.	b6
9/25/97	(135,000)	Payment.	b7C
10/21/97	(150,000)	Payment.	
	<u>\$728,125</u>	 debt forgiven in exchange for Third Capital to lift Reg S restriction on 318,750 warrants.	
	1,275,000	Total warrants	
	25%	 percentage of warrants	
	<u>318,750</u>	Sold by on 3/29/94 at \$8 when Reg S lifted by at Third Capital	

Schedule 1

Reg S Offering

1,111,111 at \$0.90 = 1mm

[redacted] = 555,556

(loan from Kott [redacted])

Oeri Finance = 555,555

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[redacted]

Original Shares 8/10/94

A warrant \$0.85

B Warrant \$0.90

555,556 Sold 4/13-20/95 except
172,583 shares

555,556 Sold 6/27, 6/28

555,556 Sold 6/27, 6/28 except for
391,112 shares

=====
1,666,668

Oeri Finance

Original Shares 8/10/94

A Warrant \$0.85

B Warrant \$0.90

555,555 Sold 3/29/95

555,555 Sold 6/15-30/95 except
for 6,110 shares

555,555
=====
1,666,665

Total shares

3,333,333

Schedule II

Reg S Shares

1,666,668	[redacted]
1,666,665	Oeri
=====	
3,333,333	Total Shares

less:

(491,505)	Transferred to Oeri Finance JBOC account and later sold
(48,500)	Unaccounted for
=====	
2,793,328	Shares initially sold
2,658,528	Shares sold by Monroe Parker (MOPA) and Stratton Oakmont (OKOK)

* [redacted] of MOPA, admitted intentionally manipulating the stock price of JBOH shares.

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FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 03/27/2000

To: Miami

From: Los Angeles

Contact: SA [redacted]

Approved By: [redacted]

Drafted By: [redacted] ch

Case ID #: 196C-LA-208098

Title: IRVING KOTT, dba
J B OXFORD HOLDINGS, INC
ET AL;
SECURITIES FRAUD;

Synopsis: Travel of Los Angeles SA [redacted] to West
Palm Beach RA to interview [redacted]

Administrative: Referenced SA [redacted] Los Angeles
telcal to SSRA [redacted] West Palm Beach, RA on 3/24/00.

Details: Captioned matter involves allegations that Irving Kott secretly acquired ownership and/or control of JB Oxford Holding, Inc (JBOC), a broker dealer, in June 1993 and then concealed that ownership and control from the SEC, the NASD and the investing public by causing JBOH to file false reports with and make false statements to the SEC. The investigation is also focusing on allegations that Kott used JBOC, a number of other brokerage houses in the United States and Canada, to include Stratton Oakmont and an international network of nominees to carry out stock manipulation schemes involving the stock of at least four publicly traded companies. Kott is a stock manipulator of international reput, who was convicted of securities fraud in Canada in the 1970's and was the organizer of another large securities fraud scheme in the Netherlands in the 1980's that caused over \$200 million in losses to European investors.

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196C-LA-208098-1116

To: Miami From: Los Angeles
Re: 196C-LA-208098, 03/27/2000

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[Redacted]

[Redacted]

[Redacted]

SAC Miami and ADIC Los Angeles concur with SA [Redacted]
travel to West Palm Beach RA on 4/17-19/00.

To: Miami From: Los Angeles
Re: 196C-LA-208098, 03/27/2000

LEAD(s) :

Set Lead 1:

MIAMI

AT MIAMI DIVISION

At West Palm Beach, Florida.

Set aside a conference room to be used by Los Angeles SA
[redacted] to interview [redacted] on 4/18/00.

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FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 04/12/2000

To: Los Angeles

From: Los Angeles

Contact: SA [redacted] chs

Approved By: [redacted] *MS*

Drafted By: [redacted] chs *CHS*

Case ID #: 196C-LA-208098

Title: IRVING KOTT, dba
JB OXFORD HOLDINGS, INC
ET AL;
SECURITIES FRAUD

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(X)
CHS

Synopsis: Request permission for Special Agent [redacted]
[redacted] to travel to West Palm Beach, Florida with SA [redacted]
[redacted] to interview [redacted]
[redacted]

Details: [redacted]
[redacted]
[redacted]
[redacted]

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196C-LA-208098 - 118

MT

FEDERAL BUREAU OF INVESTIGATION

Precedence: PRIORITY

Date: 04/27/2000

To: Criminal Investigative

Attn: SSA [redacted]

SSA [redacted]

ALAT [redacted]

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London

From: Los Angeles

Contact: S [redacted]

Approved By: [redacted]

Drafted By: [redacted]

chs

Case ID #: 196C-LA-208098 -121 (Pending)
196C-LA-208098

(X)
chs

Title: IRVING KOTT, dba
JB OXFORD;
ET AL;
SECURITIES FRAUD;

Synopsis: Request is made for FBIHQ approval for Special Agent (SA) [redacted] Los Angeles Field Office (LAFO), to travel to London, England from 5/15-19/00, with United States Department of Justice Trial Attorney [redacted] and Assistant United States Attorney [redacted] to [redacted]

Enclosure(s): Two copies of correspondence between AUSA [redacted] and [redacted] attorney for [redacted] confirming meeting dates. Also included are two copies of DOJ Trial Attorney [redacted] request for DOJ approval for foreign travel to London, England.

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Details: The following information concerning this request is being submitted pursuant to MIOG section 23-8.2, Foreign Travel of FBI Personnel on Official Business.

(1) SA [redacted] LAFO, will travel to London, England with DOJ prosecutor [redacted] and AUSA [redacted] and [redacted]

To: Criminal Investigative From: Los Angeles
Re: 196C-LA-208098, 04/27/2000

(2) Investigation of captioned case was initiated at Los Angeles in 6/97. LAFO along with the United States Attorney's Office for the Central District of California, is conducting a grand jury investigation involving J.B. Oxford Holdings (JBOH), J.B. Oxford & Company (JBOC), certain officers and directors of these companies, Irving Kott, and a number of Kott's associates. JBOH is a publically traded holding company, whose principal subsidiary is JBOC, a Beverly Hills, California based broker-dealer. JBOH has recently entered into a \$2,000,000 settlement agreement with the United States. Kott is a stock manipulator of international repute, who was convicted of securities fraud in Canada in the 1970's and was the organizer of another large securities fraud scheme in the Netherlands in the 1980's.

LAFO and the United States Attorney's Office is investigating allegations that Kott secretly acquired ownership and/or control of JBOH and JBOC in June, 1993, and then concealed that ownership and control from the Securities and Exchange commission (SEC), the National Association of Securities Dealers (NASD), and the investing public by causing JBOH to file false reports with, and make false statements to, the SEC. LAFO is also investigating allegations that Kott used JBOC, a number of other brokerage houses in the United States and Canada, and an international network of nominees to carry-out stock manipulation schemes involving the stock of at least five publically traded companies.

The Los Angeles Office of the SEC is conducting a parallel civil investigation involving the same or similar allegations. The SEC has deemed this case one of their highest priorities nationally.

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To: Criminal Investigative From: Los Angeles
Re: 196C-LA-208098, 04/27/2000

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(3) The itineraries call for SA [redacted] to depart Los Angeles International Airport (LAX) via flight to London, England on 5/15/00 and arrive on 5/16/00. SA [redacted] will return to Los Angeles on 5/19/00.

As of this date, no hotel accommodations have been confirmed. Legat London is requested to secure hotel accommodations upon receipt of this E.C.

(4) Omega travel advised that a round trip coach flight from LAX to London, England, arriving on 5/16/00, American Airlines, is \$648.00. Per diem rate allowance in London is \$210 per day for lodging and \$105 for sustenance, a total of \$315 per day.

(5) The Assistant Director in Charge, Los Angeles, concurs with the requested travel based on the purpose described in (2) above.

(6) The assistance of Legat, London is requested in allowing for the use of the Legat office conference room to [redacted]

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(7) It is not anticipated that the assistance of the American Embassy/Legal Attaches or Consulates, or other personnel in London, to coordinate matters with the English government, will be required. Legat London will be contacted regarding this foreign travel in near future.

To: Criminal Investigative From: Los Angeles
Re: 196C-LA-208098, 04/27/2000

LEAD(s):

Set Lead 1:

CRIMINAL INVESTIGATIVE

AT WASHINGTON, DC

1. Read and clear for Bureau approval.

Set Lead 2:

LONDON

AT AT LONDON, ENGLAND

1. If FBIHQ approves, Legat will obtain necessary country clearances for DOJ Trial Attorney [redacted] AUSA [redacted] and SA [redacted] to travel to the United Kingdom. [redacted] are set to arrive in London on 5/16/00. [redacted] will depart London on 5/19/00.

A. DOJ Trial Attorney [redacted] date of birth (DOB) is [redacted] Social Security Account Number [redacted] Official U.S. Passport is pending.

B. AUSA [redacted] DOB is [redacted] Official U.S. Passport Number is [redacted]

C. SA [redacted] DOB is [redacted] Social Security Account Number [redacted] Official U.S. Passport Number [redacted]

2. Legat is requested to secure hotel accommodations for [redacted] for the dates of 5/16, 5/17 and 5/18. If available, the Churchill at Portman Square is preferred, or any hotel is close proximity to the U.S. Embassy.

3. [redacted]
[redacted]

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Embassy of the United States of America

Office of the Legal Attache
24 Grosvenor Square
London W1A 1AE

File No. 196C-LA-208098 -122

28 April 2000

Detective Sergeant [redacted]
Metropolitan Police
Fraud Squad
Wellington House
67-73 Buckingham Gate
London SW1E 6BE

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SUBJECT: IRVING KOTT
doing business as
JB OXFORD

Dear Detective [redacted]

The Los Angeles, California, office of the Federal Bureau of Investigation (FBI) and the Security and Exchange Commissions (SEC) are conducting a joint investigation focusing on Irving Kott, doing business as JB Oxford Holdings and JB Oxford and Company.

Kott is a known international stock manipulator. He was convicted of securities fraud in Canada in the 1970s and was the organizer of another large securities fraud scheme in the Netherlands in the 1980s. The FBI is investigating allegations that Kott secretly acquired ownership or control of JB Oxford Holdings (JBOH) and JB Oxford and Company (JBOC) in 1993, then concealed that ownership and control from the SEC, the National Association of Securities Dealers (NASD), and the investing public by causing JBOH to file false reports with, and make false statements to, the SEC. Additional allegations indicate that Kott used JBOC and a number of other brokerage houses in the United States and Canada and an international network of nominees to carry out stock manipulation schemes involving the stock of at least five publicly traded companies.

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1-Addressee
1-Legat London
MDF:rps (2)

196C-LA-208098-122

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[Redacted]

[Redacted]

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[Redacted]

The Los Angeles office of the FBI and the U.S. Department of Justice request authorization to travel to London for the purpose of [Redacted]

[Redacted]

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The travelers include FBI Special Agent [Redacted] Assistant U.S. Attorney [Redacted] and Department of Justice Trial Attorney [Redacted] Travel time is anticipated to be 16 - 19 May 2000.

[Redacted]

Please advise if you concur with this investigative travel. If you have questions or require additional information, please contact Assistant Legal Attache [redacted] at telephone number 0207-408-8078 or facsimile number 0207-499-7944.

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Your assistance and cooperation are greatly appreciated by the FBI.

Very truly yours,

[redacted]

Assistant Legal Attache

For

[redacted]

Legal Attache

Squad supervisor approval
(please initial)

Accomplishment Report

Accomplishment must be reported and loaded into ISRAA
within 30 days from date of accomplishment)Date Prepared 3-10-98Date Loaded 3-10-98Data Loader's Initials ALH

Accomplishment Involves: (check all that apply)		File Number <u>196C-LA-208098</u>		Investigative Assistance or Technique Used 1-Used, but did not help 2-Helped, minimally 3-Helped, substantially 4-Absolutely essential For Sub. Invest. Assist. by other FO (s) indicate A,B,C,D for corresponding FO											
Drugs	<input type="checkbox"/>	Stat Agent Soc. Sec. No.		Rate	FO	IAT	Rate	FO	IAT	Rate	FO	IAT	Rate	FO	IAT
A Fugitive	<input type="checkbox"/>	Stat Agent Name													
Bankruptcy Fraud	<input type="checkbox"/>	RA													
Computer Fraud/Abuse	<input type="checkbox"/>	Squad													
Corruption of Public Officials	<input type="checkbox"/>	Assisting Agents Soc. Sec. No. X													
Forfeiture Assets	<input type="checkbox"/>	Name:													
Sub Invest Asst by FO (s)	<input type="checkbox"/>	2.													
Asst. FO(s) <u>A, B, C, D</u>		Name:													
Task Force		Name:													
Assisting Agencies X		Name:													
1.		Name:													
2.		Name:													

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A. Complaint / Information / Indictment <input type="checkbox"/> Federal <input type="checkbox"/> Local <input type="checkbox"/> International Complaint Date: _____ Check if Civil Rico Complaint <input type="checkbox"/> Information Date: _____ Indictment Date: _____		F. Conviction <input type="checkbox"/> Federal <input type="checkbox"/> Local <input type="checkbox"/> International Conviction Date: _____ Subject Description Code: ____ • (____) • For 6F, G, H--Include Agency Code <input type="checkbox"/> Felony or <input type="checkbox"/> Misdemeanor <input type="checkbox"/> Plea or <input type="checkbox"/> Trial State: _____ Judicial District: _____		J. Civil Rico Matters Date: _____ Also Complete "Section G" Other Civil Matters Date: _____ Judgment _____ • Judicial Outcome _____ • X Amount \$ _____ Suspension: Years _____ Months _____																
B. Locate/ Arrest <input type="checkbox"/> Federal <input type="checkbox"/> Local <input type="checkbox"/> International Subject Priority: <input type="checkbox"/> A <input type="checkbox"/> B <input type="checkbox"/> C Locate Date: _____ Arrest Date: _____ <input type="checkbox"/> Subject Resisted Arrest <input type="checkbox"/> Subject Arrested was Armed		G. U.S. Code Violation Required for Sections A, B, F, and J (Federal only) <table border="1"> <thead> <tr> <th>Title</th> <th>Section</th> <th># Counts</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>		Title	Section	# Counts													K. Administrative Sanction Date: _____ Subject Description Code ____ • Type: _____ Length: _____ <input type="checkbox"/> Suspension <input type="checkbox"/> Permanent <input type="checkbox"/> Debarment or <input type="checkbox"/> Injunction Years _____ Months _____	
Title	Section	# Counts																		
C. Summons Date: _____ <input type="checkbox"/> Federal <input type="checkbox"/> Local		H. Sentence Date: _____ Sentence Type: _____ • In Jail: Years _____ Months _____ Suspended: Years _____ Months _____ Probation: Years _____ Months _____ Fines: \$ _____		L. Asset Seizure Date: _____ Asset Forfeiture Date: _____ CATS # Mandatory _____ Check one of the three: <input type="checkbox"/> Asset Forfeiture - Administrative <input type="checkbox"/> Asset Forfeiture - Civil Judicial <input type="checkbox"/> Asset Forfeiture - Criminal Do not indicate \$ value in Section D																
D. Recovery/Restitution/PELP X <input type="checkbox"/> Federal <input type="checkbox"/> Local <input type="checkbox"/> International Recovery Date: _____ Code • _____ ✓ Amount \$ _____ Code • _____ ✓ Amount \$ _____ Restitution Date: _____ <input type="checkbox"/> Court Ordered <input type="checkbox"/> Pretrial Diversion Code • _____ Amount \$ _____ PELP Date: _____ Code • _____ ✓ Amount \$ _____		I. Disruption/Dismantlement: Disruption Date: _____ Dismantlement Date: _____ Completion of FD-515a Side 2 Mandatory		M. Acquittal / Dismissal / Pretrial Diversion Acquittal Date: _____ Dismissal Date: _____ Pretrial Diversion Date: <u>2/14/2000</u> <u>\$ 2,000,000</u>																
E. Hostage(s) Released Date: _____ Released by: <input type="checkbox"/> Terrorist <input type="checkbox"/> Other Number of Hostages: _____ Child Located Date: _____		N. Subject Information (Required for all Sections excluding Section D (Recovery/PELP), Section E (Hostage), Section I, and Section L.) <table border="1"> <thead> <tr> <th>Name</th> <th>Race •</th> <th>Sex</th> <th>Date of Birth</th> <th>Social Security No. (if available)</th> </tr> </thead> <tbody> <tr> <td><u>JA OXFORD + CO</u></td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>				Name	Race •	Sex	Date of Birth	Social Security No. (if available)	<u>JA OXFORD + CO</u>									
Name	Race •	Sex	Date of Birth	Social Security No. (if available)																
<u>JA OXFORD + CO</u>																				

For Indictments/Convictions only:

- ☐ Subject related to an LCN, Asian Organized Crime (AOC), Italian Organized Crime (IOC), Russian/Eastern European, Caribbean, or Nigerian Organized Crime Group - Complete FD-515a, Side 1 Blocks A-E mandatory, F-H as appropriate.
- ☐ Subject related to an OC/Drug Organization, a VCMO Program National Gang Strategy target group, or a VCMO Program National Priority Initiative target group - Complete FD-515a, Side 1 Blocks A-C only.

X Additional information may be added by attaching another form or a plain sheet of paper for additional entries.

• See codes on reverse side.

✓ Requires that an explanation be attached and loaded into ISRAA for recovery over \$1m and PELP over \$5m.

Serial No. of FD-515

FAAPAA 20

196C-LA-208098-123

PROPERTY CODES

- 01 Cash
- 02 Stocks, Bonds or Negot. Instruments
- 03 General Retail Merchandise
- 04 Vehicles
- 05 Heavy Machinery & Equipment
- 06 Aircraft
- 07 Jewelry
- 08 Vessels
- 09 Art, Antiques or Rare Collections
- 11 Real Property
- 20 All Other

SENTENCE TYPES

- CP Capital Punishment
- JS Jail Sentence
- LS Life Sentence
- NS No Sentence (Subject is a Fugitive, Insane, has Died, or is a Corporation)
- PB Probation
- SJ Suspension of Jail Sentence
- YC Youth Correction Act

PELP CODES

- 22 Counterfeit
Stocks/Bonds/Currency/
Negotiable Instruments
- 23 Counterfeit/Pirated Sound
Recordings or Motion Pictures
- 24 Bank Theft Scheme Aborted
- 25 Ransom, Extortion or Bribe
Demand Aborted
- 26 Theft From or Fraud Against
Government Scheme Aborted
- 27 Commercial or Industrial
Theft Scheme Aborted
- 30 All Other

RACE CODES

- A Asian/Pacific Islander
- B Black
- I Indian/American
- U Unknown
- W White
- X Nonindividual

AGENCY CODES

- ACIS Army Criminal Investigative Service
- BATF Bureau of Alcohol, Tobacco & Firearms
- BIA Bureau of Indian Affairs
- DCAA Defense Contract Audit Agency
- DCIS Defense Criminal Investigative Service
- DEA Drug Enforcement Administration
- DOC Department of Corrections
- DOI Dept. of Interior
- EPA Environmental Protection Agency
- FAA Federal Aviation Administration
- FDA Food and Drug Administration
- HHS Dept. of Health & Human Services
- HUD Dept. of Housing & Urban Development
- INS Immigration and Naturalization Service
- IRS Internal Revenue Service
- NASA Nat'l Aeronautics & Space Admin
- NBIS Nat'l NARC Border Interdiction
- NCIS Naval Criminal Investigative Service
- RCMP Royal Canadian Mounted Police
- SBA Small Business Administration
- USBP U.S. Border Patrol
- USCG U.S. Coast Guard
- USCS U.S. Customs Service
- USDS U.S. Department of State
- USMS U.S. Marshals Service
- USPS U.S. Postal Service
- USSS U.S. Secret Service
- USTR U.S. Treasury
- LOC Local
- CITY City
- COUN County
- ST State
- OTHR Other

JUDGMENT CODES

- CJ Consent Judgment
- CO Court Ordered Settlement
- DF Default Judgment
- DI Dismissal
- JN Judgment Notwithstanding
- MV Mixed Verdict
- SJ Summary Judgment
- VD Verdict for Defendant
- VP Verdict for Plaintiff

JUDICIAL OUTCOME

- AG Agreement
- BR Barred/Removed
- CC Civil Contempt
- DC Disciplinary Charges
- FI Fine
- PI Preliminary Injunction
- PR Temporary Restraining Order
- PS Pre-filing Settlement
- RN Restitution
- SP Suspension
- VR Voluntary Resignation
- OT Other

SUBJECT PRIORITY

- A Subject wanted for crimes of violence (i.e., murder, manslaughter, forcible rape) against another individual or convicted of such a crime in the past five years
- B Subject wanted for crimes involving loss or destruction of property valued in excess of \$25,000 or convicted of such a crime in the past five years.
- C All other subjects.

SUBJECT DESCRIPTION CODES

ORGANIZED CRIME SUBJECTS

- 1F Boss
- 1G Underboss
- 1H Consigliere
- 1J Acting Boss
- 1K Capodecina
- 1L Soldier

KNOWN CRIMINALS

- 2A Top Ten or I.O. Fugitive
- 2B Top Thief
- 2C Top Con Man

FOREIGN NATIONALS

- 3A Legal Alien
- 3B Illegal Alien
- 3C Foreign Official W/out
Diplomatic Immunity
- 3D U.N. Employee W/out
Diplomatic Immunity
- 3E Foreign Student
- 3F All Others

OTHERS

- 8A All Other Subjects
- 8B Company or Corporation

TERRORISTS

- 4A Known Member of a
Terrorist Organization
- 4B Possible Terrorist Member
or Sympathizer

UNION MEMBERS

- 5D President
- 5E Vice-President
- 5F Treasurer
- 5G Secretary/Treasurer
- 5H Executive Board Member
- 5I Business Agent
- 5J Representative
- 5K Organizer
- 5L Business Manager
- 5M Financial Secretary
- 5N Recording Secretary
- 5P Office Manager
- 5Q Clerk
- 5R Shop Steward
- 5S Member
- 5T Trustee
- 5U Other

GOVERNMENT SUBJECTS

(6F, 6G, 6H- Include Agency Code)

- 6A Presidential Appointee
- 6B U.S. Senator/Staff
- 6C U.S. Representative/Staff
- 6D Federal Judge/Magistrate
- 6E Federal Prosecutor
- 6F Federal Law Enforcement Officer
- 6G Federal Employee - GS 13 & Above
- 6H Federal Employee - GS 12 & Below
- 6J Governor
- 6K Lt. Governor
- 6L State Legislator
- 6M State Judge/Magistrate
- 6N State Prosecutor
- 6P State Law Enforcement Officer
- 6Q State - All Others
- 6R Mayor
- 6S Local Legislator
- 6T Local Judge/Magistrate
- 6U Local Prosecutor
- 6V Local Law Enforcement Officer
- 6W Local - All Others
- 6X County Commissioner
- 6Y City Councilman

BANK EMPLOYEES

- 7A Bank Officer
- 7B Bank Employee



NEWS RELEASE

For Immediate Distribution

February 15, 2000

Alejandro N. Mayorkas

United States Attorney
Central District of California

Thom Mrozek, Public Affairs Officer
(213) 894-6947
thom.mrozek@usdoj.gov
www.usdoj.gov/usao/cac

BEVERLY HILLS-BASED BROKERAGE JB OXFORD TO PAY \$2 MILLION AND TO COOPERATE WITH INVESTIGATORS IN SETTLEMENT TO RESOLVE CRIMINAL INVESTIGATION

JB Oxford & Co., a Beverly Hills securities firm that was one of the first to offer discount and online brokerage services, and its parent company, JB Oxford Holdings, Inc., agreed today to pay \$2 million to resolve a criminal securities fraud investigation into the company, United States Attorney Alejandro N. Mayorkas announced.

As part of the settlement agreement, JB Oxford agrees to provide extensive cooperation to the government in its continuing investigation of individuals and other entities associated with the brokerage house. The company also agreed to:

- ◆ The appointment of an independent expert who will conduct a thorough audit of JB Oxford to ensure it is complying with all applicable federal and state laws, including regulations enforced by the United States Securities and Exchange Commission;

- ◆ To implement changes recommended by the independent expert after the

196C-LA-208098

audit is completed;

- ◆ To provide over the next three years periodic certifications that it has not been subject to any criminal or civil actions, that it has adhered to the recommendations of the independent expert, and that it has had no contact with convicted Canadian stock promoter Irving Kott or any of his associates; and

- ◆ To fully comply with all applicable laws and regulations and not to engage in any future illegal conduct.

JB Oxford, a publicly traded firm on the NASDAQ system, has been controlled by Third Capital Partners, LLC of Tennessee since May 1998. Third Capital states in the agreement that it has no past or present connection to Irving Kott, who was associated with JB Oxford during the period it was under investigation, ostensibly as a consultant.

Since acquiring control of JB Oxford, Third Capital has replaced directors and managers associated with Kott, terminated all business dealings with Kott, and ended JB Oxford's clearing arrangements with several East Coast brokerages, including Monroe Parker Securities, Inc. and Stratton Oakmont, Inc., the principals of which have been the subject of federal criminal charges in New York.

If JB Oxford fails to fully cooperate or fails to fully comply with its obligations under the agreement, it is subject to criminal prosecution and/or may be required to pay penalties of more than \$4 million.

The agreement also provides that if JB Oxford enters into a settlement with the United States Securities and Exchange Commission within one year, \$500,000 of the payment to the United States Attorney's Office will be transferred to the

SEC to avoid the payment of a double penalty.

Today's settlement with JB Oxford is the result of an ongoing investigation being conducted by the Federal Bureau of Investigation and the United States Postal Inspection Service, in coordination with the Securities and Exchange Commisison. The FBI and the Postal Inspection Service had conducted a search of JB Oxford's Beverly Hills office in August 1997.

CONTACT: Assistant United States Attorney Jeffrey B. Isaacs

(213) 894-0719

Assistant United States Attorney Christopher M.E. Painter

(213) 894-0358

Release No. 00-031

03/10/2000

***** PRETRIAL DIVERSION *****
SENSITIVE / UNCLASSIFIED

Case Number: 196C-LA-208098
Serial No.:

Stat Agent Name:
Stat Agent SOC.:

Report Date: 03/10/2000
Accom Date.: 02/14/2000

b6
b7C

Does Accomplishment Involve	Assisting Joint Agencies	Assisting Agents SOC	Subject Name
Drugs : N			JB OXFORD
A Fugitive. : N			
Bankruptcy Fraud. : N			
Computer Fraud/Abuse. : N			RA Squad Task Force
Corruption of Public Officials: N			-----
Money Laundering. : N			HQ WCC4

Sub. Invest. Asst by Other FOs:

1 = Used, but did not help
2 = Helped, Minimally
3 = Helped, Substantially
4 = Absolutely Essential

Investigative Assistance or Technique Used

FINAN ANALYST	LAB DIV EXAMS	UCO-GROUP I	FT. MON-NRCSC
AIRCRAFT ASST	LAB FIELD SUP	UCO-GROUP II	FOR LANG ASST
COMPUTER ASST	PEN REGISTERS	UCO-OTHER	NON FBI LAB EX
CONSEN MONITR	PHOTO COVERGE	NCAVC/VI-CAP	VICT-WITN COOR
ELSUR/FISC	POLYGRAPH	CRIM/NS INTEL	
ELSUR/III	SRCH WAR EXEC	CRIS NEG-FED	
ENG FIELD SUP	SHOW MONEY	CRIS NEG-LOC	
ENG TAPE EXAM	SOG ASST	ERT ASST	
LEGATS ASST.	SWAT TEAM	BUTTE-ITC	
EVIDNCE PURCH	TECH AG/EQUIP	SAVANNAH-ITC	
INFORMANT/CW	TEL TOLL RECS	POC-WRCSC	

Accomplishment Narrative

FINED \$2,000,000

SENSITIVE / UNCLASSIFIED

Metropolitan Police
Fraud Squad
Wellington House
67 - 73 Buckingham Gate
London, SW1E 6BE

Telephone: 0171-230 1637
Facsimile: 0171-230 1133



Facsimile Cover Sheet

To : Mr [redacted]
Company : US Legat

Phone : [redacted]
Fax : [redacted]

From : [redacted]
Rank : DS

Fax :

Date : 05/10/00

Pages including this
cover page : 1

b6
b7C
b7D

[redacted]
Re: Irving Kott. Your reference 196C-LA-208098. [redacted]

b6
b7C
b7D

Regards [redacted]

196C-LA-208098-125

SEARCHED	INDEXED
SERIALIZED	FILED
MAY 10 2000	
LEGAL ATTACHE - LONDON	

This fax, and the information in it, is intended for the addressee shown. If you are not the intended recipient, please notify us immediately and treat the information as being in confidence unless otherwise notified by us: you should not copy or use it for any purpose or disclose its contents to any person.

From:

To:

Subject:

[redacted]
Travel to London

[redacted]
I have spoken to the Metropolitan Police about your request to travel to London and [redacted]
[redacted]

b6
b7C
b7D

First, I am attempting to arrange a conference room somewhere in the Embassy other than the Legat office. The Legat conference room is booked up for May 17-18.

[redacted]

196C-LA-208078-126

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 05/01/2000

To: ✓ London

Attn: ALAT [REDACTED]

b6
b7C
b7E

From: Los Angeles

Contact: SA [REDACTED]

Approved By: [REDACTED] *MS*

Drafted By: [REDACTED]

Case ID #: 196C-LA-208098 -127

Title: IRVING KOTT, dba
J.B.OXFORD & Company;
J.B.OXFORD HOLDINGS (JBOH);
Et al;
SECURITIES FRAUD;

Summary: Request Legat London to determine whether [REDACTED]
[REDACTED] is incarcerated in a United Kingdom prison. Use of [REDACTED]
[REDACTED]

Administrative: Re telcal between Los Angeles SA [REDACTED]
and London ALAT [REDACTED] on 05/01/00.

Details: Los Angeles source has apprised that [REDACTED] is
presently incarcerated in the United Kingdom. [REDACTED]

b6
b7C
b7D

Los Angeles Division would be interested in
interviewing [REDACTED] if Legat London determines that [REDACTED] is
incarcerated in a United Kingdom jail. Los Angeles would request
the interview coincide with [REDACTED]
[REDACTED]

*Travel memo
6/11/00*

196C-LA-208098-127

SEARCHED	INDEXED
SERIALIZED	FILED
MAY 9 2000	
LEGAL ATTACHE - LONDON	

[REDACTED]

b6
b7C

To: London From: Los Angeles
Re: 196C-LA-208098, 05/01/2000

LEAD(s) :

Set Lead 1:

LONDON

AT LONDON, ENGLAND

1) Determine if [REDACTED] is incarcerated in a
United Kingdom jail.

b6
b7c

♦♦

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 07/19/2000

To: London ✓

Attn: Alat [REDACTED]

From: Los Angeles [REDACTED]

Contact: SA [REDACTED]

Approved By: [REDACTED]

Drafted By: M [REDACTED] ch

Case ID #: 196C-LA-208098-128

Title: IRVING KOTT, dba
JB OXFORD & COMPANY
JB OXFORD HOLDINGS
ET AL;
SECURITIES FRAUD

Synopsis: Locate [REDACTED] and [REDACTED]

Administrative: Re Los Angeles EC to Legat London dated 5/1/2000.

Details: Los Angeles has developed further information regarding [REDACTED] criminal record. It is believed that [REDACTED] was convicted in [REDACTED]

The last known address for [REDACTED] is [REDACTED]

Los Angeles needs to interview [REDACTED] and [REDACTED] concerning their dealings with Irving Kott in a stock called Consolidated Western & Pacific Resources Corp.

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b7C

196C-LA-208098-128

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 8 2000	
LEGAL ATTACHMENT - FC	

To: London From: Los Angeles
Re: 196C-LA-208098, 07/19/2000

LEAD(s) :

Set Lead 1:

LONDON

AT LONDON ENGLAND

1) Contact [redacted] at:

[redacted]

b6
b7C

Determine [redacted] availability for interview by case agent.
Determine from [redacted] if he knows location of [redacted]

2) Contact Prosecutor [redacted] to determine
current location for [redacted] is located, contact
him for availability for interview by case agent

♦♦

FEDERAL BUREAU OF INVESTIGATION
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Embassy of the United States of America

Office of the Legal Attache
24 Grosvenor Square
London W1A 1AE

File No. 196C-LA-208098 -134

8 August 2000



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b7D

**SUBJECT: IRVING KOTT,
doing business as
JB OXFORD & COMPANY, JB OXFORD HOLDINGS**

Dear 

Per our conversation of 3 August 2000, regarding captioned matter. Investigation by the Los Angeles, California, office of the Federal Bureau of Investigation (FBI) was initiated in June 1997, concerning Irving Kott, doing business as JB Oxford Holdings (JBOH) and JB Oxford & Company (JBOC). Irving Kott, a director of these companies, is the primary target of this investigation. JBOH is a publicly traded holding company, whose principal subsidiary is JBOC, a Beverly Hills, California, based broker/dealer. JBOH entered into a \$2 million settlement agreement with the United States. Kott is a stock manipulator of international repute who was convicted of securities fraud in Canada in the 1970's, and was the organizer of another large securities fraud scheme in the Netherlands in the 1980's.

The Los Angeles FBI office is investigating allegations that Kott secretly acquired ownership and/or control of JBOH and JBOC in June 1993, then concealed that ownership and control from the Securities and Exchange Commission (SEC), the National Association of Securities Dealers (NASD), and the investing public by causing JBOH to file false reports with, and make false statements to, the SEC. Further allegations indicate that Kott used JBOC, a number of other brokerage houses in the United States and Canada, and an international network of nominees to carry out stock manipulation schemes involving the stock of at least five publicly traded companies.

1-Addressee
1-Legat London
MDF:rps (2)

196C-LA-208098-134

221 APR 02. CEA



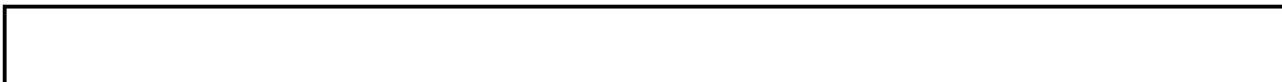
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b7C

In mid-May 2000, a Los Angeles Case Agent and the Assistant U.S. Attorney assigned to prosecute this matter were scheduled to meet with [redacted] and his attorney in London in order for [redacted] to provide a statement. However [redacted] attorney canceled the scheduled interview one week prior, claiming that it was not in the best interest of his client to meet with U.S. law enforcement authorities.

Further investigation by Los Angeles has identified [redacted] and [redacted] as potential witnesses in this investigation. Investigation by Los Angeles determined that [redacted]



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The Los Angeles office of the FBI requests your assistance in contacting attorneys who represent [redacted] and [redacted] to determine if they would be willing to provide a voluntary witness to investigators from the Los Angeles office of the FBI concerning their investigation of Irving Kott and others.

If you have questions or require additional information concerning this matter, please do not hesitate to contact Assistant Legal Attache [redacted] at telephone [redacted] or facsimile number [redacted]

As always, your cooperation and assistance are greatly appreciated.

Very truly yours,

b6
b7C

[redacted]

Assistant Legal Attache

For

[redacted]

Legal Attache

(1/26/1998)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 08/15/2000

To: LONDON

Attn: [REDACTED]

From: Savannah ITC

Investigative Information Services Center (IISC)

Contact: [REDACTED]

b6
b7C

Approved By: [REDACTED] *dga/dga*

Drafted By: [REDACTED]

dga;

Case ID #: 196C-LA-208098

Title: [REDACTED]

REQUEST #4203

Synopsis: To report results of request submitted to Savannah ITC.

Details: IISC DATABASE PRINTOUTS HAVE BEEN SENT TO THE REQUESTER AND WILL BE MAINTAINED AS PERMANENT FILE MATERIAL IN THE OO CASE FILE.

Two copies of a reply form are being submitted with database printouts. It is requested that you record the accomplishments of this request on these forms, return one copy to the SITC, and maintain one copy as a serial in your case file.

Results of inquiries are set forth below.

Query of NCIC revealed no current wants and no criminal history records for [REDACTED]

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SEARCHED	INDEXED
SERIALIZED	FILED
SEARCHED	INDEXED
SERIALIZED	FILED
AUG 15 2000	
LEGAL ATTACHE - LONDON	

196C-LA-208098-135

Tb: LONDON From: Savannah ITC
Re: 196C-LA-208098, 08/15/2000

LEAD (s):

Set Lead 1:

LONDON

AT LONDON

Complete and return Reply Form to Savannah ITC.

THIS IS PERMANENT FILE MATERIAL
AND IS TO BE MAINTAINED IN
THE OO CASE FILE.

♦♦



INVESTIGATIVE INFORMATION REQUEST FORM

FBI, Savannah Information Technology Center
220 East Bryan Street
Savannah, Georgia 31401

- Commercial Telephone or FTS: (912) 944-0824 thru 0828
► FAX: (912) 231-1076 and (912) 231-0974
► Secure FAX & STU III: [redacted] b7E

ITC Use Only:		SITC Record #: <u>4203</u>	
Date/Time In:	<u>8/17/2000</u>	<input checked="" type="checkbox"/> am <input type="checkbox"/> pm	
Date/Time Out:	<u>8/10/2000</u>	<input type="checkbox"/> am <input checked="" type="checkbox"/> pm	
Database(s) Used:			
1. <u>NC</u>	5. _____	9. _____	
2. _____	6. _____	10. _____	
3. _____	7. _____	11. _____	
4. _____			
Handled By:		[redacted]	

TO: FBI, SAVANNAH INFORMATION TECHNOLOGY CENTER

Date: 8/18/2000Forfeiture/Seizure Related: ☐Type of Request: ☒ FAX ☐ Telcal ☐ MailResponse: ☐ Telcal ☐ Mail

Requestor: [redacted]

Phone #: [redacted]

FAX #: [redacted]

UCFN: 196C-LA-208098

Office/RA: [redacted]

LONDONPrecedence: ☒ ROUTINE☐ IMMEDIATE
(Emergency/Crisis Situation)b6
b7C

SEARCH CRITERIA (Attach additional sheets if necessary)

Name - Last: [redacted] First: [redacted] Middle: [redacted]

Alias: _____ Sex: _____ DOB1: [redacted] DOB2: 1 / 1

SSAN1: _____ SSAN2: _____ Spouse: _____

Fugitive: ☐ Yes ☐ No Driver's License #: _____ State: _____

RESIDENCE

Street Address: _____ City/State: _____ Zip: _____ Phone: _____

BUSINESS

Business Name: _____ Street Address: _____

City/State: _____ Zip: _____ Phone: _____ Business ID#: _____

CHECK DESIRED SEARCH PARAMETERS (Please check only those that are needed)

- ☒ 1. Specific Information Desired CRIMINAL HISTORY, WANTS
- ☐ 2. Determine All Individuals Associated with Social Security Number(s)
- ☐ 3. Report Validity of Social Security Number
- ☐ 4. Determine Who is Associated with Telephone Number(s)
- ☒ 5. Determine Address of ~~Business~~/Person (____ U.S. _____, _____, _____ State(s))
- ☐ 6. Determine Property Owned by Individual (____ U.S. _____, _____, _____ State(s))
- ☐ 7. Determine Who Owns Property Listed Above
- ☐ 8. Determine Who Resides at Address Listed Above
- ☐ 9. Determine Financial Background Info, i.e., Bankruptcy, Judgments, Liens, UCC filings, or Lawsuits
- ☐ 10. Determine Corporate Business Info, i.e., Officer, Director, Registered Agent _____ (Person/Business)
- ☐ 11. Customs Border Crossings / Subject query / I-94 info (circle one)
- ☐ 12. Federal Prison Inmate Information
- ☐ 13. Telemarketing Complaints

Reply From: FBI, Savannah Information Technology Center (SITC)

Return Reply To:

SAC, _____

Attention: _____

Based on search criteria, marked records are attached:

☐ Possible Identifiable Records☐ Brief Synopsis of Information Found☐ Other Peripheral Information☐ No Information Found

REPLY FORM - INVESTIGATIVE INFORMATION SERVICES

To help us better serve your investigative needs, please complete and return to:

FBI, Savannah Information Technology Center
220 East Bryan St., Savannah, GA 31401 (Federal Express)
P. O. Box 336, Savannah, Georgia 31402-0336 (U. S. Post Office)

SAVANNAH ITC RECORD #: 4203 UCEN: 196C-LA-208098
ANALYST: [REDACTED] SUBJECT: [REDACTED]

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Was the information provided helpful to your investigation? ☒ YES ☐ NO
If **NO**, please let us know how we could be more helpful to your investigation: _____

ACCOMPLISHMENT(S) resulting from information:

PERSON(S): (Enter total number applicable to each of the following)

_____ FBI Fugitive(s) Arrested: ☐ FBI ☐ Local Date _____

(Forward photo of Fugitive arrested with this Reply form)

_____ Local Fugitive(s) Arrested: ☐ FBI ☐ Local Date _____

(Forward photo of Fugitive arrested with this Reply form)

_____ Subject(s) ☐ Arrested ☐ Located ☐ Identified

(Forward photo of Subject arrested with this Reply form)

_____ Witness(es) ☐ Located ☐ Identified

_____ New Witness(es) ☐ Located ☐ Identified

BUSINESS(ES): (Enter total number applicable to each of the following)

_____ New Business(es) Identified

_____ New Business Associates/Associations Identified

_____ Financial Audit Trail(s) Enhanced

ASSET(S): (Enter total number applicable to each of the following)

(TYPES: C = CASH R = REAL PROPERTY P = PERSONAL PROPERTY)

_____ Asset(s) ☐ Located ☐ Identified [VALUE: _____ TYPE: _____]

_____ Asset(s) Subject to Seizure/Forfeiture [VALUE: _____ TYPE: _____]

_____ Potential Economic Loss Prevented [VALUE: _____ TYPE: _____]

OTHER: (Enter total number applicable to each of the following)

_____ New Case(s) Initiated

_____ New Lead(s) Generated

COMMENTS: _____

① - Case File

1 - SITC

dga(SA [REDACTED])

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From:**To:****Date:****Subject:**

5/10/00 11:23 AM

Cancellation of London Trip

As you are aware, myself and DOJ Attorney [redacted] were scheduled to be in London 5/16-19/00 to interview [redacted]. I have just recieved word that [redacted] attorney has decided to postpone the interview for atleast one month to determine if it is in their best interest to meet with us. Therefore, all travel plans have been cancelled. I appreciate very much all of your assistance with this matter. If any questions, please email me or reach me at [redacted]

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Thank-you,

Trip Cancelled
5/11/00
[Signature]

196C-LA-208098-136

[Signature]

[redacted]
[redacted]
Solicitors,
115A, Chancery Lane,
London WC2A 1PP

[redacted]
Switchboard: [redacted]
Facsimile: [redacted]
Direct Line: [redacted]

Our reference: [redacted]
Your reference:

14 August, 2000

Dear Mr [redacted]

Re: Irving Kott trading as JB Oxford & Co / JB Oxford Holdings

I have received a letter, today, from the Office of the Legal Attache, Embassy of the United States of America, London regarding the above named person and associated companies. The Los Angeles F.B.I. Office is investigating allegations that Kott secretly acquired ownership of JB Oxford & Co ("JBOC") and JB Oxford Holdings ("JBOH") in June, 1993. He then concealed that ownership and control from the Securities and Exchange Commission ("SEC"), the National Association of Security Dealers and the investing public, by causing JBOH to file false reports with, and make false statements to, the SEC. Further allegations indicate that Kott used JBOC, a number of other brokerage houses in the United States and Canada, and an international network of nominees to carry out stock manipulation schemes involving the stock of at least five publicly traded companies.

Further investigation by Los Angeles has identified [redacted] and [redacted] as potential witnesses in this investigation. This investigation has determined that [redacted]

I have been asked to make contact with your firm also the lawyers representing [redacted] to see if your clients would be willing to be interviewed and provide witness statements with regard to the Los Angeles investigation. I would be obliged if you could contact me in due course and if your client is willing to be interviewed, I will put you in touch with the relevant department dealing with this enquiry.

Thank you for your assistance in this matter,
Yours sincerely,

196C-LA-208098-137

[redacted]
[redacted]
[redacted]

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 09/21/2000

To: Omaha

Attn: SSRA [REDACTED]

Des Moines, Iowa

From: Los Angeles

Contact: [REDACTED]

Approved By: [REDACTED]

Drafted By: [REDACTED]

chws

Case ID #: 196C-LA-208098

Title: IRVING KOTT, dba
JB OXFORD HOLDINGS, INC
ET AL;
SECURITIES FRAUD

Synopsis: Travel of Los Angeles SA [REDACTED] to Des Moines, Iowa to interview [REDACTED] and [REDACTED]

Administrative: Referenced SA [REDACTED] Los Angeles telcal to SSRA [REDACTED] Des Moines, Iowa, RA on 9/21/00.

Details: Captioned matter involves allegations that Irving Kott secretly acquired ownership and/or control of JB Oxford Holding, Inc (JBOC), a broker dealer, in June 1993 and then concealed that ownership and control from the SEC, the NASD and the investing public by causing JBOH to file false reports with and make false statements to the SEC. The investigation is also focusing on allegations that Kott used JBOC, a number of other brokerage houses in the United States and Canada, and an international network of nominees to carry out stock manipulation schemes involving the stock of at least four publicly traded companies. Kott is a stock manipulator of international repute, who was convicted of securities fraud in Canada in the 1970's and was the organizer of another large securities fraud scheme in the Netherlands in the 1980's that caused over \$200 million in losses to European investors.

In August, writer telephonically spoke with [REDACTED] [REDACTED] telephone number [REDACTED] who advised he represents [REDACTED] explained that [REDACTED] have conducted business transactions with Kott. In the course of

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CH 265020.55

196C-LA-208098-138

To: Omaha From: Los Angeles
Re: 196C-LA-208098, 09/21/2000

these transactions they have participated in several meetings with Kott and have materials written by Kott committing JBOC to certain things. [] said that his clients will be in Des Moines, Iowa the week of October 2nd and wish to speak with case agent regarding their dealings with Kott.

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Los Angeles FBI is working the case in conjunction with the Los Angeles Postal Inspectors. Postal Inspector [] will be accompanying SA [] to Des Moines, Iowa.

SAC Omaha and ADIC Los Angeles concur with SA [] travel to Des Moines, Iowa, RA on 10/2-10/4/00.

♦♦

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 09/21/2000

To: Los Angeles

From: Los Angeles

Contact: [REDACTED]

Approved By: [REDACTED]

Drafted By: [REDACTED]

Case ID #: 196C-LA-208098

Title: IRVING KOTT, dba
JB OXFORD HOLDINGS, INC.
ET AL;
SECURITIES FRAUD;

Synopsis: Request permission for Special Agent [REDACTED]
[REDACTED] to travel to Des Moines, Iowa and rent a car to interview
[REDACTED] on 10/2-4/00.

Details: In August, writer telephonically spoke with [REDACTED]
[REDACTED] telephone number [REDACTED] who advised he
represents [REDACTED]

[REDACTED] explained that [REDACTED]
[REDACTED] have conducted business transactions
with Kott. In the course of these transactions they have
participated in several meetings with Kott and have materials
written by Kott committing JBOC to certain things. [REDACTED] said
that his clients will be in Des Moines, Iowa the week of October
2nd and wish to speak with case agent regarding their dealings
with Kott.

The Assistant United States Attorney, [REDACTED]
assigned to captioned matter requested that these interviews be
conducted.

♦♦

196C-LA-208098-139

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b7c



GARSTANGS

SOLICITORS

Partners
N. J. Horsfall
M. E. Garstang
R. B. Cornthwaite
M. J. Ryan
Practice Manager
Karen Hosker FCCA

Our ref

b6
b7C

Your ref

Date

26th October 2000

Dear

Re:

Further to our meeting together with on 13th September 2000,
please advise whether you are still looking for the assistance of in the matter of
Irving Kott.

Mv

Yours sincerely,

M
Assistant Legal Attache
The American Embassy
24, Grosvenor Square,
LONDON W1A 1AE

196C-LA-208098

143
15A Chancery Lane,
London WC2A 1PR
Tel: (0207) 242 4324
Fax: (0207) 242 4329
24 Hour Police Station
Advice
Tel: 0378 030783

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06/04/01
19:24:23

View Document Attributes

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Orig. Office : LO	Responses :
Document Type : EC	Text . . . : Y
Document Date : 11/08/00	FIF . . . :
To : CRIMINAL INVESTIGATIVE *	
From : LONDON	
Case ID : 196C-LA-208098	Serial : 144
Topic : LONDON'S RESPONSE TO LA REQUEST FOR INVESTIGATIVE	
Author : 	b6
Approver : 	b7c
Ref. Case ID : 196C-LA-208098 *	Serial : 128
Class Level : SN	Authority :
Rule 6(e) . . : Caveats . . :	Duration : SCI :
Secure Doc. : IRS Tax . . :	FD-501 . . :

Command . . . > +
F1=Help F3=Exit F4=Prompt F6=Multv F12=Cancel F13=Text F14=List F16=NextDoc

ORIG NOT RECEIVED ON ROTOR

196C-LA-208098-144

196C-LA-208098-145

EMS

3000CH20.EC

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 10/26/2000

To: Los Angeles

From: Los Angeles

Contact: [REDACTED]

Approved By: [REDACTED] *EV*

Drafted By: [REDACTED] /ch

Case ID #: 194C-LA-208098 -145

Title: IRVING KOTT, dba
JB OXFORD HOLDINGS, INC;
ET AL;
SECURITIES FRAUD;

Synopsis: Request permission for Special Agent [REDACTED]
[REDACTED] to travel to New York to re-interview [REDACTED]
[REDACTED]
[REDACTED]

Details: [REDACTED]

[REDACTED] for Irving Kott. Part of the investigation is focusing on allegations that Kott used JBOC and a number of other brokerage houses in the United States and Canada to carry out stock manipulation schemes involving the stock of at least four publicly traded companies. Kott secretly sold his holdings in these stocks to investors at inflated prices through the brokerage firms. One of the stocks in question was JB Oxford Holdings (JBOH). [REDACTED]
[REDACTED]

Investigating agent has recently learned through analyzing stock trades that the JBOH stock that was intentionally manipulated to a higher price and then sold to [REDACTED] [REDACTED] was repurchased back by Kott at a lower price when the brokerage firms stopped supporting the stock. Kott later sold the JBOH shares at a profit of \$1.6 million. In light of this and other information that recently surfaced, [REDACTED] re-interviewed regarding his knowledge of these events.

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To: Los Angeles From: Los Angeles
Re: 194C-LA-208098, 10/26/2000

Writer will be attending the Special Agent Assessor
Recertification in-service at Quantico on 11/6/00. As a result
of the travel to Quantico, SA [redacted] arranged an interview with
[redacted] at the New York attorney's office on 11/9/00.

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♦♦

[REDACTED]

M [REDACTED]
Legal Attache's Office
Embassy of the United States of America
24 Grosvenor Square
London
W1A 1AE

Direct Tel: [REDACTED]

Direct Fax: [REDACTED]

Our Ref: [REDACTED]

Your Ref: [REDACTED]

Date: 10 November 2000

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Dear [REDACTED]

RE: [REDACTED]

I understand that officers from the United States wish to interview the above named in relation to a fraud which they are investigating.

I confirm that this office is prosecuting [REDACTED] for his part in a fraud relating to the floatation of Richmond Oil & Gas Plc.

I have no objection to officers from the United States interviewing [REDACTED] in relation to any matter relevant to their enquiries. It may however be useful to them, prior to interviewing [REDACTED] to have a full briefing from this office concerning the allegations against [REDACTED] so they can fully assess his position in relation to their case.

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May I suggest that they contact me on my direct line number above with a view to making a mutually convenient appointment.

Yours sincerely

[REDACTED]

Assistant Director

1966-LA-208098

146

COMP F.B.I.

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This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law.

If you are not the intended recipient or employee or agent responsible for delivery of the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication and its attachment is strictly prohibited.

If you have received this communication in error, please notify us by telephone, and return the original message and attachments to us at the address below, via the postal service.

TO: Name: [Redacted]
Company: F.B.I.
Fax Number: [Redacted]
Voice Phone: [Redacted]

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FROM: Name: [Redacted]
Fax Number: [Redacted]
Voice Phone: [Redacted]

Date and time: 07 December 2000 12:14:20

Number of Pages 03
(including this cover):

FAX MESSAGE:

12/8 -

left messages for

SA [Redacted] - LA
AUSA - [Redacted] - LA
SEC - [Redacted] - LA

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[Handwritten signatures and notes]
12/18/2000
AT [Redacted]

[Redacted]

Tel: [Redacted] Fax: [Redacted]

1966-LA-208098-
SEARCHED INDEXED
SERIALIZED FILED
DEC 07 2000
LEGAL ATTACHE - LONDON

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TO [REDACTED] COMF [REDACTED] F.B.I. .

Switchboard: [REDACTED]
Facsimile: [REDACTED]
Direct Line: [REDACTED]

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7th December, 2000

To: M [REDACTED]

By Facsimile [REDACTED]

Dear [REDACTED]

Re: R - [REDACTED]

If you recall, [REDACTED] have agreed to speak with the F.B.I. in Los Angeles regarding a fraud enquiry that they are investigating [REDACTED] was resident in [REDACTED]

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[REDACTED]

[REDACTED]

anymore and is due to make a further bail application to be allowed to travel to the U.S.A. to visit his girlfriend ! The details are:

[REDACTED]

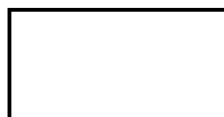
SBAN [REDACTED]

I have concerns that this seems to be close to the U.S. enquiry (Is he going to meet up with the subject of the investigation ?). I am also concerned to ascertain that this is a real person and resides at this address. Can you assist ? It will have to be a relatively speedy enquiry as the application comes up atr the beginning of next week ! Man thanks,

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TO [REDACTED] COMP [REDACTED] F.B.I..

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trial

May - June 2001

LA-208098

*all O/S
leads covered
of 03/09/2001*

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FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 01/04/2001

To: Miami

Attn: SA [redacted]
West Palm Beach RA

✓ From: Los Angeles
[redacted]

Contact: SA [redacted]

Approved By: [redacted]

Drafted By: [redacted] J:alh

Case ID #: 196C-LA-208098 - 148 (Pending)

Title: IRVING KOTT, DBA
JB OXFORD HOLDINGS, INC
ET AL;
SECURITIES FRAUD;

Synopsis: Travel of Los Angeles SA [redacted] to West
Palm Beach RA to interview [redacted]

[redacted] on January 16-18, 2001.

Administrative: Referenced Los Angeles SA [redacted]
TELCAL to West Palm Beach RA, SA [redacted] on 1/3/01.

Details: Captioned matter involves allegations that Irving Kott secretly acquired ownership and/or control of JB Oxford Holdings, Inc. (JBOC), a broker dealer, in June 1993 and then concealed that ownership and control from the SEC; the NASD and the investing public by causing JBOH to file false reports with and make false statements to the SEC. The investigation is also focusing on allegations that Kott used JBOC, a number of other brokerage houses in the United States and Canada, to include Stratton Oakmont and an international network of nominees to carry out stock manipulation schemes involving the stock of at least four publicly traded companies. Kott is a stock manipulator of international repute, who was convicted of securities fraud in Canada in the 1970's and was the organizer of another large securities fraud scheme in the Netherlands in the 1980's that caused over \$200 million in losses to European investors.

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196C-LA-208098-148

To: Miami From: Los Angeles
Re: 196C-LA-208098, 01/04/2001

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Investigating Agent will be accompanied on the
interview by Postal Inspector [redacted] and two SEC Staff
Attorneys [redacted] and [redacted]. The SEC is
conducting a parallel civil investigation involving the same or
similar allegations.

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Indices check of [redacted]
[redacted]

SAC Miami and ADIC Los Angeles concur with SA [redacted]
travel to West Palm Beach RA on January 16-18, 2001.

To: Miami From: Los Angeles
Re: 196C-LA-208098, 01/04/2001

LEAD(s):

Set Lead 1:

MIAMI

AT WEST PALM BEACH, FLORIDA

Assign West Palm Beach RA Agent to assist in interview
of [redacted] and set aside a conference room to be used by SA
[redacted] in interview of [redacted] on 1/17/01.

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FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 01/05/2001

To: Los Angeles

From: Los Angeles

Contact: SA [redacted]

Approved By: [redacted]

Drafted By: [redacted] alh

Case ID #: 196C-LA-208098 (Pending)

Title: IRVING KOTT, DBA
JB OXFORD HOLDINGS, INC
ET AL;
SECURITIES FRAUD;

Synopsis: Request permission for Special Agent [redacted]
[redacted] to travel to West Palm Beach, Florida, rent a car and
interview [redacted]

Details: [redacted]

[redacted] has agreed to be
reinterviewed. [redacted] attorney, [redacted] has granted
permission for his client to be reinterviewed.

Investigating Agent will be accompanied on the
interview by Postal Inspector [redacted] and two SEC Staff
Attorneys. The SEC is conducting a parallel civil investigation
involving the same or similar allegations.

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MIAMI Div. HAS NO OPPOSITION TO TRAVEL 1-5-01 BY
SEE EC, DTD 1-4-01 TO MIAMI

Paul L. SA

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FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 02/06/2001

To: Los Angeles

From: Los Angeles

Contact: SA [redacted]

Approved By: [redacted]

Drafted By: [redacted]

chs

Case ID #: 196C-LA-208098-150

Title: J.B. OXFORD;
IRVING KOTT;
ET AL

Synopsis: Request removal of Special Agent [redacted]
as co-case Agent.

Details: Due to SA [redacted] involvement in other
investigations during the last file review period and lack of
involvement in captioned case, it is requested that SA
[redacted] be removed as Co-case agent

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(X)
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mm
3/8/01
Removes
2/6/01
[initials]

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 03/30/2001

To: Los Angeles

Attn:

Financial Analyst Supervisor

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From: Los Angeles

Contact: SSA

Approved By:

Drafted By:

alh

Case ID #: 196C-LA-208098 - 151 (Pending)

Title: IRVING KOTT DBA
JB OXFORD HOLDINGS INC (JBOH);
JB OXFORD AND COMPANY (JBOC);
ET AL;
SECURITIES FRAUD;

Synopsis: Request assistance of financial analyst.

Details: Captioned matter involves allegations that Irving Kott secretly acquired ownership and/or control of JB Oxford Company (JBOC), a broker dealer, in June 1993 and then concealed that ownership and control from the SEC, the NASD and the investing public by causing JBOH to file false reports with and make false statements to the SEC. The investigation is also focusing on allegations that Kott used JBOC, a number of other brokerage houses in the United States and Canada and an international network of nominees to carry out stock manipulation schemes involving the stock of at least four publicly traded companies. Kott is a stock manipulator of international repute, who was convicted of securities fraud in Canada in the 1970's and was the organizer of another large securities fraud scheme in the Netherlands in the 1980's that caused over \$200 million in losses to European investors.

Kott transferred the stock proceeds overseas and deposited the funds in Swiss banks and brokerage accounts. Writer needs the assistance of a financial analyst to schedule out cash transactions in those accounts.

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FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 04/02/2001

To: Los Angeles

Attn: SSA
SA
FA

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From: Los Angeles

Squad [redacted]
Contact: SIRS [redacted]

Approved By: [redacted]

Drafted By: [redacted]

jrr

Case ID #: 196C-LA-208098 (Pending)
196C-LA-208098-FA (Pending)

Title: IRVING KOTT DBA
JB OXFORD HOLDINGS INC (JBOH);
JB OXFORD AND COMPANY (JBOC);
ET AL;
SECURITIES FRAUD

Synopsis: To reopen and assign "FA" subfile to [redacted]

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Administrative: Reference EC dated 03/30/2001, from SA [redacted]

Details: Referenced EC requested Financial Analyst (FA) assistance with captioned investigation. Per that request, FA [redacted] is so tasked.

An "FA" subfile should be reopened and assigned to FA [redacted] This subfile will serve as a repository for his analytical product, as well as facilitate his file review process.

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4-25-01
[Signature]
4/12/01
[Signature]

196C-LA-208098-152

196C-LA-20809F-153

20809F-153

de

ms

I. Targets

A) Irving Kott: Canadian citizen, a notorious stock promoter and manipulator; secretly owned a substantial beneficial interest in JB Oxford Holding (JBOH) and caused others to make false and misleading statements to the SEC, NASD, and investing public to conceal that ownership interest; manipulated the price of shares in five companies, otherwise known as Kott's paper: JBOH, Harriston Corp., Opitholmic Imaging systems (OISI), Consolidated Western Pacific Resources Inc., a.k.a. Synergy, and Legacy Software.



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[Redacted]

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III) Subjects

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

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[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

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[Redacted]

[Redacted]

[Redacted]

IV. Witnesses

[Redacted]

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FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 04/19/2001

To: Los Angeles

From: Los Angeles

Approved By: [REDACTED]

Drafted By: [REDACTED]

Case ID #: 196C-LA-208098

-154

Title: Irving Kott, dba
JB Oxford Holdings (JBOH);
et al;
Securities Fraud;

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Synopsis: Clear lead #1, serial 144.

Details: [REDACTED] travelled to the United States and was interviewed in Yuba, California in Feb. 2001. LA still may need Legat London's help in arranging the interview of [REDACTED]. Presently, the DOJ attorney [REDACTED] has been in contact with [REDACTED] attorney regarding the interview but nothing has been scheduled as of yet. LA will advise Legat London if there help will be needed in scheduling the interview.

Rotor - 5-19-01
Clear lead 1.

RAB/mmr
5.2.01

FILE
mmr

109 MTS02.01

196C-LA-208098-154

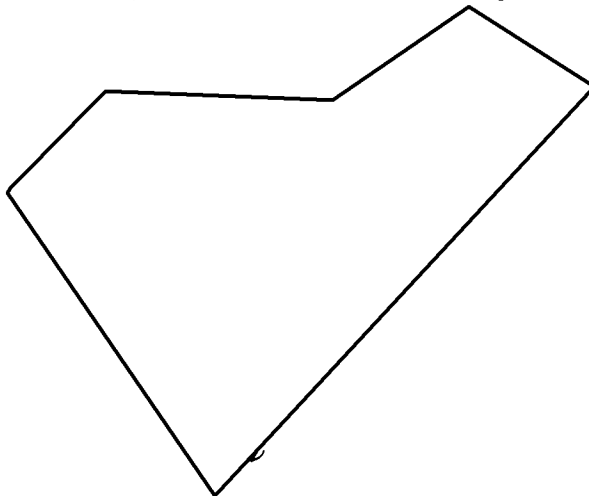
To: U.S. Legat.Direct Tel: Direct Fax: b6
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b7DFax No: Date: 4th June, 2001.**FACSIMILE TRANSMISSION - COVER PAGE**
(Please reply to Direct Fax No above)From: Ref: Date: 4th June, 2001.
Time

TOTAL NO OF PAGES 2 (Including this cover page)

MESSAGE:

Further to todays telephone conversation, please see attached. Thanks for your assistance.

Regards,

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196C-LA-208098-155

Switchboard: +44 (0)20 7239 7272

Main Fax: +44 (0)20 7837 1689

Britdoc Exchange: DX 135896 London (Grays Inn) 3





Switchboard

Facsimile:

Direct Line:

E-Mail

Our reference

Your reference: 196C-LA-208098

4th June, 2001.

[Redacted]
Federal Prosecutor,
Los Angeles,
C/O U.S. Legal Attaché's Office, London.

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Dear [Redacted]

Re: [Redacted]

I am the Investigating Police Officer in the above case, which is for sentence at the Central Criminal Court, London, tomorrow. [Redacted]

[Redacted] your enquiries into Irving Kott doing business as JB Oxford & Company and JB Oxford Holdings sometime last year.

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It would be helpful if I could receive a faxed letter from you [Redacted]

[Redacted] assistance in this matter.

Yours sincerely,

[Redacted] Thank you for your

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Automated Serial Permanent Charge-Out
FD-5a (1-5-94)

Date: 06/27/01 Time: 05:54

Case ID: 196C-LA-208098 Serial: 156

Description of Document:

Type : FAX
Date : 06/05/01
To : LONDON
From : ISLE OF MAN FINANCIAL SM
Topic:

Reason for Permanent Charge-Out:

error

Transferred to:

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b7c

Case ID: 49B-NK-95603 Serial: 249

Employee:

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 07/31/2001

To: Criminal Investigative

Attn: SSA [redacted]
LEGAT [redacted]

From: Los Angeles

Contact: SA [redacted]

Approved By: [redacted]

Drafted By: [redacted] J/MJS:la

Case ID #: 196C-LA-208098 -157 (Pending)

Title: IRVING KOTT, dba
JB OXFORD HOLDINGS, INC. (JBOH)
JB OXFORD & COMPANY (JBOC), ET AL;
SECURITIES FRAUD

Synopsis: Request is made for FBIHQ approval for Special Agent (SA) [redacted] Los Angeles Field Office, to travel to [redacted] to re-interview [redacted] on August 27 and August 28, 2001 and then travel to [redacted] to attend the MLAT Testimony of [redacted] for August 29 and 30, 2001.

Details: The following information concerning this request is being submitted pursuant to MIOG Section 23-8.2, Foreign Travel of FBI personnel on official business.

1) SA [redacted] will travel to [redacted] and [redacted] with Assistant United States Attorney [redacted] Central District of California, Department of Justice Attorney [redacted] and Los Angeles United States Postal Inspector [redacted]

2) Captioned matter involves allegations that IRVING KOTT secretly acquired ownership and/or control of JBOH, a public company and its subsidiary, JBOC, a broker dealer, in June 1993 and then concealed that ownership and control from the Securities Exchange Commission (SEC), the National Association Securities Dealers (NASD) and the investing public by causing JBOH to file false reports with and make false statements to the SEC. The investigation is also focusing on allegations that KOTT used JBOC, a number of other brokerage houses in the United States and Canada, and an international network of nominees to carry out stock manipulation schemes involving the stock of at least four

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To: Criminal Investigative From: Los Angeles
Re: 196C-LA-208098, 07/31/2001

publicly traded companies. KOTT is a stock manipulator of international repute, who was convicted of securities fraud in Canada in the 1970's and was the organizer of another large securities fraud scheme in the Netherlands in the 1980's that caused over \$200 million in losses to European investors.

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The United States Attorney's Office has deemed the interviews of [redacted] as critical in obtaining evidence to indict the case against KOTT.

3) The itineraries call for SA [redacted]

To: Criminal Investigative From: Los Angeles
Re: 196C-LA-208098, 07/31/2001

[REDACTED]

4) Omega Travel advised that a round trip coach flight from [REDACTED]

[REDACTED] The per diem rates (Lodging/M&IE) for [REDACTED] As of this date, no hotel accommodations have been made.

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5) The Los Angeles Assistant Director in Charge concurs with the requested travel based upon the purpose described in (2).

6) It is not anticipated that the assistance of the American Embassy/Legal Attaches or Consulates or other personnel in [REDACTED] to coordinate matters with the respective governments will be required. [REDACTED] will be contacted regarding this foreign travel in the near future.

LEAD(s):

Set Lead 1:

CRIMINAL INVESTIGATIVE

AT WASHINGTON, DC

Read and clear for Bureau approval.

Set Lead 2:

[REDACTED]

If FBIHQ approves, Legat will obtain necessary country clearances for SA [REDACTED] AUSA [REDACTED] DOJ Attorney [REDACTED] and Postal Inspector [REDACTED]

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A. SA [REDACTED] DOB is [REDACTED] Official U.S. Passport number is [REDACTED] and Social Security Account Number is [REDACTED]

B. AUSA [REDACTED] DOB is [REDACTED] Official U.S. Passport number, pending, and Social Security Account Number is [REDACTED]

To: Criminal Investigative From: Los Angeles
Re: 196C-LA-208098, 07/31/2001

C. DOJ Attorney [redacted] DOB is [redacted] Official
U.S. Passport number ,pending, and Social Security Account Number
is [redacted]

D. Postal Inspector [redacted] DOB is [redacted]
Official U.S. Passport number is [redacted] and Social Security
Account Number is [redacted]

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Request Legat obtain hotel accommodations for the above
individuals in [redacted] Reservations will
be needed in [redacted]

[redacted] Place the hotel reservations under SA [redacted]
Government Master Card, account # [redacted] expires
01/04.

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FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 08/21/2001

To: Criminal Investigative

Attn: SSA [redacted]
ALA [redacted]

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From: ✓ Los Angeles

Contact: S [redacted]

Approved By: [redacted]

Drafted By: [redacted]

alh

Case ID #: 196C-LA-208098 (Pending)

Title: IRVING KOTT, DBA
JB OXFORD HOLDINGS, INC. (JBOH)
JB OXFORD AND COMPANY (JBOC), ET AL;
SECURITIES FRAUD

Synopsis: Verbal authority granted by FBIHQ for SA [redacted] to travel to [redacted] to re-interview [redacted] on August 27 and 28, 2001 and travel to [redacted] to attend the MLAT testimony of [redacted] for August 29 and 30, 2001.

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Administrative: Re telecall between Los Angeles SA [redacted] and ECU-CID SSA [redacted] on 8/20/01.

Details: On 8/20/01 ECU-CID, SSA [redacted] granted verbal authority for SA [redacted] to travel to [redacted] to conduct and/or attend the above interviews.

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233MIS01.01

196C-LA-208098-188

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 08/23/2001

To: Los Angeles

From: Los Angeles

Contact: SA [redacted]

Approved By: [redacted]

Drafted By: [redacted] alh

Case ID #: 196C-LA-208098 (Pending)

Title: IRVING KOTT, DBA
JB OXFORD HOLDINGS, INC. (JBOH)
JB OXFORD AND COMPANY (JBOC), ET AL;
SECURITIES FRAUD

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Synopsis: Approval to pay interpreter fees for [redacted]

Details: SA [redacted] is traveling to [redacted] to re-interview [redacted] on August 28 and 29, 2001 and then travel to [redacted] to attend the MLAT testimony of [redacted] for August 29 and 30, 2001. SA [redacted] travel to Switzerland has been approved by the LA Office (see attached EC).

The [redacted] assigned to the [redacted] MLAT request wants to be present for the interview. [redacted] initially wanted the interview to be conducted in [redacted] but as the result of the U.S. authorities protesting this, he has allowed the interview to be done in English. However, the [redacted] wants the questions translated into [redacted] for his behalf and wants the F.B.I. to pay for the interpreter. The cost of the interpreter per the [redacted] is [redacted] per hour. The estimated amount of time for the interview is 12 hours. The estimated cost for the interpreter is [redacted]

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196C-LA-208098 -159

235MJS 01.01

MIS

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 07/12/2001

To: Los Angeles

From: Los Angeles

Contact: SA [redacted]

BAB/mk Approved By: [redacted]

Drafted By: [redacted] alh

Case ID #: 196C-LA-208098 -1160 (Pending)

Title: IRVING KOTT, DBA
JB OXFORD HOLDINGS, INC
ET AL;

Synopsis: Request approval for Special Agent [redacted]
to travel to [redacted] and [redacted] to re-
interview [redacted] and attend [redacted] MLAT testimony of [redacted]

Details: [redacted]

[redacted] is voluntarily traveling to Los Angeles and agreed to
be interviewed on July 24 and 25, 2001.

The third witness [redacted] is uncooperative. In
August 2000 [redacted] MLAT request was prepared and sent to
[redacted] through the Office of International Affairs for
documents and testimony. A [redacted] was recently
assigned to the MLAT request and has unilaterally ordered the

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196C-LA-208098 -1160

To: Los Angeles From: Los Angeles
Re: 196C-LA-208098, 07/12/2001

testimony of [redacted] for August 29 and 30, 2001, in [redacted]
[redacted]

The United States Attorney's Office has deemed the interviews of [redacted] as critical in obtaining evidence to indict the case against Kott.

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The Federal Prosecutors assigned to the case are AUSA's [redacted] and DOJ Attorney [redacted] AUSA [redacted] is new to the case and DOJ Attorney [redacted] who is based in Washington, D.C., has a limited knowledge of the case. AUSA [redacted] is currently involved with a trial and will probably be unavailable for [redacted] testimony. The postal inspector who was assigned to the case was replaced by another inspector. As a result, the prosecutors and postal inspector presently assigned to the case have limited knowledge therefore it is critical that SA [redacted] travel to [redacted] to be present for [redacted] testimony. SA [redacted] has been assigned to the case since its inception.

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Captioned matter has been deemed a priority case in this Office and the United States Attorney's Office for the last four years. Additionally, it's a high profile case in the media.

To date, the United States Attorney's Office, Central District of California and JB Oxford Holdings (JBOH) and JB Oxford and Company (JBOC) entered into a settlement agreement whereby JBOH and JBOC agree to pay \$2 million in lieu of prosecution. JBOH and JBOC have already paid \$1 million of the settlement to DOJ. Additionally, a JBOH stock certificate for 469,000 shares was seized by the FBI in the August 1997 search of the JBOC offices.

To: Los Angeles From: Los Angeles
Re: 196C-LA-208098, 07/12/2001

The certificate was traced back to Kott. Forfeiture proceedings might be possible regarding the certificate.

The estimated cost of the trip is [redacted] The per diem rates (Lodging/M&IE) for [redacted] are [redacted]
The cost is broken down as follows:

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Airfare:
Lodging:
M & IE:
Taxi:
Train:

TOTAL

--

♦♦

From: [redacted]
To: [redacted]
Date: 8/9/01 8:02AM
Subject: Fo [redacted] (196-LA-208098)

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Please forward to [redacted] whose e-mail I could not find.

[redacted]
On 8/9 country clearance was obtained for all members of the traveling party. Let me know about HQ approval.

196C-LA-208098 - 161
GAS/mk

mjs

From: [redacted]
To: [redacted]
Date: 8/20/01 6:40AM
Subject: Please pass to [redacted]

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[redacted]
Please pass to [redacted] and have him cancel before the deadline if he doesn't think they will travel as planned.

At today's exchange rate [redacted]

Legal Attache Office

From: [redacted]

Sent: Monday, August 20, 2001 2:48 PM

To: Legal Attache Office

Subject: RE: reservations a [redacted] or [redacted]

The [redacted] hotel reserved the following for Mr. [redacted]

4 single rooms

All rooms are reserved on the name [redacted]

Arrival: August 28th, 2001 (three nights)

Departure: August 31st, 2001

Rate rate: [redacted] per night incl. breakfast [redacted] per diem [redacted] M&IE [redacted]

Please advise the hotel or me in case of cancellation. They will charge the credit card in case of a no-show.

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196C-LA-208088-162 JAB/mk
mos

ROUTING SLIP

DATE: 10/29/01

TO: LOS ANGELES

FROM: LONDON

CASE-ID: 196C-LA-208098

Attached are original documents for your file.

Serials 155, 147, 146, 143, 142, 137, 136, 135, 134, 133, 128, 126, 125, & 122.

196C-LA-208098-163
MJS

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/16/2002

[redacted] residing at [redacted]
[redacted] date of birth [redacted] place of birth [redacted] work
number [redacted] was telephonically contacted at
[redacted] After being advised of the identity of the
investigating agent and the nature of the interview, [redacted]
provided the following information:

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[redacted] met with IRVING KOTT at JBOC's offices in Beverly Hills, California. At that time, KOTT was working on setting up a discount brokerage firm. KOTT was spending a lot of money on advertising for the discount brokerage. [redacted] helped KOTT [redacted] During that period, [redacted] was putting an IPO together called [redacted] was involved with the negotiations between KOTT and [redacted] KOTT wanted to make \$1 million on the IPO before he would allow the IPO to take place. KOTT had power because JBOC cleared for [redacted] KOTT wanted one million for JBOC to clear the IPO deal. KOTT made other broker dealers pay him a million dollars for clearing their IPO's through JBOC. The other broker dealers were STRATTON OAKMONT, MONROE PARKER and BILTMORE. KOTT made everyone do that. KOTT had to make \$1 million.

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[redacted] met KOTT at his JBOC office in New York. [redacted] was at the meeting. The [redacted] IPO was discussed. KOTT said, [redacted]

[redacted] where the IPO shares would go in as a "flip account." A flip account was used when you know the IPO shares were going up. The IPO shares are placed in an account and the shares are flipped back to the firm on the first day of trading. The firm makes a big profit by getting the shares back cheap and retailing it out to their retail customers. For example, the firm buys back the shares at \$6 and retailing the shares to their customers at \$9. KOTT knew the way

Investigation on 8/16/2002 at Los Angeles (telephonically)File # 196C-LA-208098Date dictated 8/16/2002by SA [redacted]b6
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196C-LA-208098

Continuation of FD-302 of _____, On 8/16/2002, Page 2

the IPO shares would be traded. The stock was manipulated. The manipulated shares were being resold to KOTT in a flip account back to the firm. The firm also manipulated the shares by creating demand with their retail clients. Everything was predetermined before the stock was trading. KOTT sold the shares back to the firm within a minute of trading and made about a million dollar profit on the IPO shares.

_____ said that he financed the _____ IPO. He

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_____ also met with KOTT twice in _____ was present during one of the meetings.

_____ recalled KOTT saying that he had to be an arms length away from JBOC because they paid him as a consultant. KOTT was being paid a large consulting fee. KOTT said he technically wasn't an employee or officer of the company.

The whole idea behind KOTT's JBOC discount brokerage was for KOTT to sell his stocks into the discount brokerage firm. In the back of KOTT's mind, KOTT wanted the broker to give advice and recommend blue chip stocks such as IBM, CISCO and by the way, what about this small company, it looks good -- which would be one of KOTT's stocks. KOTT's analogy behind the concept was, "what if all accounts under management held about \$5 billion to \$10 billion in assets, then what's the problem recommending a \$1,000 investment in a crap stock?" KOTT thought it would be a "no brainer" to filter in his stocks of between \$20 to \$30 million in transactions.

KOTT wanted _____ to _____

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- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 11/12/2002

[redacted] was telephonically contacted at [redacted]
[redacted] provided the following information:

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[redacted] had in-depth discussions with Irving Kott
regarding the Initial Public Offerings (IPOs) done by [redacted]
[redacted]
[redacted]

[redacted] Kott was aware the IPOs put out by these
broker-dealers were being manipulated.

During these discussions, Kott suggested using Regulation
S offerings for the IPOs instead of nominee accounts. Kott said
that it was fine to put the units in nominee accounts, but if you
buy them back too quickly, you're going to get caught. The
arrangement [redacted] had with the nominees was as follows: The IPO
profit was split with the nominee; the units were purchased back
from the nominee right after the market opened. The units were
usually purchased within five seconds of the opening. Therefore,
the nominee would only make one or two points. The nominee,
typically, sold at the bottom.

Kott proposed using overseas accounts as nominees, which
he controlled. By doing it this way, the units didn't have to be
repurchased right after the market opened. The units would be
purchased after approximately fifty minutes, and by that time, the
IPO would have gone up more than ten points. Kott would then split
the profit by sending an overseas wire to [redacted]
Under Kott's proposal, Kott would have sold at the top.

[redacted] refused to go along with Kott on the IPOs.

[redacted] was freaked out by Kott and didn't like him. However,

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[redacted] Kott was extorting
the broker dealers. Kott was given enough IPO units to keep him
happy [redacted]

[redacted] He saw large amounts of IPO units going to overseas nominees.
[redacted] was in cohorts with Kott.

Investigation on 11/5/02 at Los Angeles, CA (telephonically)

File # 196C-LA-208098 - 167 Date dictated 11/8/02

by SA [redacted]:pah

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196C-LA-208098-167

196C-LA-208098

Continuation of FD-302 of [redacted], On 11/15/02, Page 2

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[redacted] said that Kott's IPO trades were similiar to

[redacted]

[redacted] believed Kott committed securities fraud as a result of his participation in the IPOs as follows:

- Kott's nominee relationship was not an arms-length transaction;
- Aiding and abetting/breaking free riding rule;
- Owner or registered broker aren't allowed to own units of an IPO. (Kott knowingly fronted for a person who owns a brokerage firm.)
- Kott was also responsible for all the investors that lost money in the IPOs once JBOC started clearing for Stratton Oakmont. Monroe Parker and Biltmore. Kott was aware that [redacted] were breaking the law. Once Kott learned of the stock manipulation of the IPOs, he should have stopped JBOC from clearing the trades. Instead, Kott participated in the IPOs and made money and JBOC received clearing fees for the trades.

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- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/19/2002

[redacted] telephonically contacted investigating agent at the request of New York Special Agent [redacted]

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[redacted] said that he has had numerous dealings with Irving Kott. His dealings with Kott include [redacted]

[redacted]

[redacted]

[redacted] had in-depth conversations with Kott on [redacted]
[redacted] They also talked about how high you can ride it up and how many units you could get. Kott's major selling points to use the overseas accounts for the IPO's were:

1) Income [redacted] would get would be tax free.

2) The IPO profits would be out of the reach of the SEC and United States Attorney.

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Kott told a story about how he got in trouble in Amsterdam and/or Canada (combination of both). Kott said by having his money overseas, he was able to protect himself. [redacted] traded war stories with Kott.

Investigation on 8/14/02 at Los Angeles, CA (telephonically)

File # 196C-LA-208098 -168 Date dictated 8/15/02
ATT

by [redacted]

196C-LA-208098

Continuation of FD-302 of [REDACTED]

, On 8/14/02 , Page 2

[REDACTED] NASDAQ
passed this rule to stop manipulation of small profit offerings, known as the early stage manipulation. Prior to the rule, the broker dealers were able to buy back the IPO units that were in the hands of their flippers (nominees) in the first second of trading. After the five minute rule was implemented, the broker dealers had to wait five minutes after the stock opened before they could buy it back. This gave all the market makers a chance to jockey for position. The broker dealer putting out the IPO would use to control the opening bid. Once the stock opened, the broker dealer lost control of the opening because now the nominees would make more than they were suppose to. [REDACTED]

[REDACTED]

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[REDACTED] said that Kott scared the shit out of him.

[REDACTED]

[REDACTED] Kott's whole business was based on Regulation S stock. Kott was printing Regulation S stock in companies he was associated with such as Smartel. [REDACTED]

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[REDACTED] It seemed that Kott thought he was above the law.

[REDACTED]

[REDACTED]

196C-LA-208098

Continuation of FD-302 of [redacted], On 8/14/02, Page 3

[redacted] Kott was running JBOC. [redacted] was a figure head.

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[redacted]
him use the broker dealers to sell his Regulation S shares. Kott expanded on the benefits of Regulation S as follows:

- 1) [redacted] would receive half of the profits on the Regulation S shares;
- 2) Safe haven for the broker dealers to clear;
- 3) Option to participate in strong arming of the other firms JBOC cleared for;
- 4) [redacted] offered half of JBOH;

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[redacted] there was a strong

196C-LA-208098

Continuation of FD-302 of , On 8/14/02, Page 4

likelihood that an IPO manipulation would stay civil (investigated by the SEC) and all Regulation S fraud would go criminal because the whole issue of bank secrecy laws come into play. In addition, Regulation S transactions were exhaustive of buying power and created inventory problems for the firm. The IPO created buying power and the illusion of prosperity that the client was making money.

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- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/19/2002

[redacted] was telephonically contacted at [redacted]
[redacted] provided the following information:

[redacted]
[redacted] Kott was busy ringing people up Wednesday and Thursday night. By Friday, Kott was furious, because somebody owed Kott \$3 million Australian dollars or \$1.5 million U.S. dollars, over a JB Oxford Holding (JBOH) deal. Kott was also selling JBOH stock between \$2.50 to \$2.75 a share.

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The actor, [redacted] called Kott offering to buy a couple million JBOH shares from Kott.

By Monday of the following week, Kott was screaming because the JBOH stock price had shot up to around \$15 a share. Kott had sold a lot of his shares at around \$2.50 a share. [redacted] tried to buy the balance of Kott's JBOH shares, but Kott didn't want to sell. The price then settled down to around \$7 a share. Kott was out of his JBOH position by, Monday.

[redacted] telephone bill he sent to Investigating Agent reflected calls made by Kott [redacted] didn't know which calls were made to Kott's stock brokers.

Kott called [redacted] on [redacted] The conversation initially centered on idle chit chat and the weather. Kott then brought up the JB Oxford Holding (JBOH) case. Kott said that his problem would be over by Thursday. Kott's criminal attorney's were in town for two weeks and they struck a deal with the prosecutors and all charges would be dropped and he would only have to pay a fine. Kott didn't think he eventually would have to pay the fine. Kott added that the case was going on for to long and the prosecutors didn't have enough evidence. Kott claimed he was innocent.

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Investigation on 06/18/02 at Los Angeles, California (telephonically)

File # 196C-LA-208098-177 Date dictated 06/19/02

by [redacted]

57MJS03.02

196C-LA-208098-177

SAG/muc

196-LA-208098

Continuation of FD-302 of [REDACTED]

, On 06/18/02

, Page 2

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[REDACTED] said as a result of his dealings with Kott, he lost [REDACTED].
The loss caused [REDACTED] to lose his home.

[REDACTED]

[REDACTED]

[REDACTED] purchased shell companies for Kott [REDACTED]
met [REDACTED] socially through Kott.

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[REDACTED] Kott told [REDACTED] that he had a brokerage firm in Los Angeles, California called JB Oxford & Company. Kott had an agreement with [REDACTED] that he [REDACTED] that he would be sleeping in the office. Kott resided in a mansion in Beverly Hills [REDACTED] Kott said he had a bedroom suite in the back of his office with a kitchen and his own personal

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196-LA-208098

Continuation of FD-302 of [redacted], On 06/18/02, Page 3

chef. Kott also said that every Friday evening he took home \$1 million in cash that he put in a leather pigskin bag. He did this

[redacted]

b6
b7C

[redacted]

[redacted]

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/09/2002

[redacted] was telephonically contacted at [redacted]
[redacted] provided the following information:

[redacted]
[redacted]
[redacted] Kott admitted that he ran JB Oxford Holdings (JBOH) but also said he was scammed. Kott also said he was making \$1 million a week at JB Oxford & Company (JBOC).

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[redacted]
[redacted]
Kott funded a brokerage firm called Global Capital Partners, Inc (GCO). The brokerage firm was located in Charlotte, North Carolina and Denver, Colorado. The founder of GCP was [redacted]. He was based in Charlotte, North Carolina. The head of the Denver office was [redacted]. The company was delisted by NASDAQ in December 2001. The shares were currently trading at 11 cents on the pink sheets. The company nearly went bankrupt. It was being refunded by Kott through [redacted] was [redacted] a private fund with \$116 billion in assets. The fund had a huge client base with over \$3 million in discretionary accounts. The plan was to use this money to pump up the price of GCP. Kott and [redacted] met every morning at Kott's house for breakfast.

b6
b7cInvestigation on 04/08/02 at Los Angeles, California (telephonically)File # 196C-LA-208098Date dictated 04/09/02

by [redacted]

57 MSS01.03

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SAG/mrc

196C-LA-208098

Continuation of FD-302 of

[Redacted]

, On 04/08/02

, Page

2

[Redacted]

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[Redacted] heard that bankers from Credit Suisse were joining the company. [Redacted] former managing director of [Redacted] was suppose to become the new Chief Executive Officer of the company. He was a former college friend of [Redacted]

[Redacted] handled all the finances for Kott. [Redacted] bought and sold stocks for Kott through [Redacted]

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- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/10/2003

[redacted] was telephonically contacted at [redacted]
[redacted] provided the following information:

[redacted]
[redacted]
[redacted] Kott told [redacted] he was persona non grata in the United States.

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[redacted] didn't know what Kott did or didn't do concerning the JB Oxford Holdings (JBOH) investigation. [redacted] didn't know Kott was an undisclosed principal of JBOH. [redacted] knew Kott had a checkered past. Kott told him he committed something in the past but paid his dues.

[redacted] described Kott as a charming and nice guy.

(P42)

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Investigation on 02/26/03 at Los Angeles, California (telephonically)

File # 196C- LA-208098 Date dictated 02/27/03

by [redacted]

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

69MJS01.02

196C-LA-208098-179

196C- LA-208098

Continuation of FD-302 of

[REDACTED]

, On 02/26/03

, Page

2

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[REDACTED] did not attempt to buy millions of JBOH shares
from Irving Kott in January 1999.

Kott would call [REDACTED] at his office number [REDACTED]

[REDACTED]

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/10/2002

[redacted] was telephonically contacted at [redacted]
[redacted] provided the following information:

[redacted] had telephone records that reflected calls
Irving Kott made from [redacted] from [redacted]
[redacted] The telephone records were in a safe. During this period
JB Oxford Holdings (JBOH) stock went from \$2 to \$25 a share. Kott
initially sold some JBOH shares at \$2 per share and the following
Tuesday the shares hit \$25 a share. [redacted] recalled Kott yelling
"I sold the shares to cheap". Kott then sold the shares at \$7 and
upward.

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[redacted]
[redacted] handled the stock trades for Kott.

[redacted] was also negotiating to buy
Kott's JBOH shares.

Kott was desperate to acquire a brokerage firm. [redacted]
referred Kott to [redacted] a brokerage firm. Kott made an
offer but was turned down.

Investigation on 04/09/02 at Los Angeles, California (telephonically)File # 196C-LA-208098Date dictated 04/10/02

by [redacted]

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57 MTS 02.02

196C-LA-208098-180 JAG/mk



U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

11000 Wilshire Boulevard #1700
Los Angeles, California 90024
(310) 477-6565
March 31, 2003

RE: Paramount Financial Corp. Bridge Loan

Dear Mr. [REDACTED]

Pursuant to your telephone call with Special Agent (SA) [REDACTED] on March 31, 2003, the following is a list of items that SA [REDACTED] has asked you to research and provide copies of:

- 1.) Bridge loan financing documents
- 2.) What were the terms of the bridge loan
- 3.) Who were the participants
- 4.) How many units were attached to the bridge loan
- 5.) Who were Bernstein & Wasserman

Please send the documents to SA [REDACTED] at the FBI, 11000 Wilshire Blvd., #1700, Los Angeles, California, 90024. If you have any additional questions please direct them to SA [REDACTED]

Sincerely,

Ronald L. Iden
Assistant Director In Charge

Bv. [REDACTED]

Acting Supervisory Special Agent

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(P.S.)
NOT

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90MJI02.03

196C-LA-20809A-181

NOT



FBI FACSIMILE COVER SHEET

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Name of Office

Date: 3/31/02 b6
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Name

Room

Telephone

From: FBI LOS ANGELES

Name of Office

Subject: _____

Special Handling Instructions: _____

Originator's Name: _____

Telephone

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b7COriginator's Facsimile Number: 310-996-4194

Approved: _____

Brief Description of Communication Faxed: _____

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FEDERAL BUREAU OF INVESTIGATION
FOI/PA
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FOI/PA# 1347683-0

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FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1188049-1

Total Deleted Page(s) = 175

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Page 10 ~ b7D; b7E;

Page 19 ~ OTHER - Per Sealing Order;

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196C-LA-208098

[illegible]

Validation: (Date/Initials)

1	5	9
2	6	10
3	7	11
4	8	12

Top Serial - Not To Be Serialized

Instructions

1. Entry - NCIC

- Supervisor stamp serial containing entry information, check entry, initial and route to NCIC operator.
- NCIC operator make local and/or NCIC checks including III for additional information, make entry, route serial and printout to rotor clerk. (NCIC operator may stamp jacket, insert NCIC Activity Log as top serial in file and complete "entry" line.)
- Rotor Clerk serialize printout, stamp jacket, insert NCIC Activity Log as top serial in file and complete "entry" line if not already accomplished by NCIC operator. Note: NCIC Activity Log is to be maintained as the top serial in the current volume of case file.

2. Modify - NCIC

- Supervisor stamp serial containing modify information, check modify, initial and route to NCIC operator.
- NCIC operator modify record, route serial and printout to rotor clerk. (NCIC operator may complete "modify" line on NCIC Activity Log.)
- Rotor clerk serialize printout and complete "modify" line on NCIC Activity Log, if not accomplished by NCIC operator.

3. Clear/Cancel - NCIC

- NCIC operator clears/cancels record upon notification by case agent or supervisor, routes printout to rotor clerk. (NCIC operator may complete "clear/cancel" line on NCIC Activity Log.)
- Rotor clerk serializes printout, completes "clear/cancel" line on NCIC Activity Log and makes slash marks (NCIC) through NCIC stamp of file jacket.

4. Validation - NCIC

- When validation printout is received from NCIC, an agent (or clerk if case is in closed status) will review the NCIC entry to insure that it is complete and accurate. Any discrepancy should be resolved by an appropriate agent and, if necessary, a modify message should be initiated to update and/or correct the record. When validation is complete, reviewer will date and initial NCIC Activity Log.

Retention Periods

Unless otherwise removed, records will be retained in file as follows:

Article File

Remainder of the year of entry plus one year.

Boat File

Remainder of the year of entry plus four years.

Records entered without BHN or OAN will remain in the file 90 days.

Deported Felon File

Remains on file until such time as INS Headquarters takes action to remove it.

Foreign Fugitives/Canadian Warrant File

Retained indefinitely until entering agency removes record from file.

Gun File

Retained indefinitely until entering agency removes record from file.

Recovered weapons are retained for the remainder of the year of entry plus two years.

Interstate Identification Index

Retained until the individual reaches the age of 99.

License Plate File

Retained in file for one year after the end of the plate's expiration year.

Nonexpiring license plates remain in file for the remainder of the year of entry plus four years.

Missing Person File

Retained indefinitely until action is taken by the entering agency to clear the record.

This includes unemancipated juvenile records.

Protection Order File

Active records - Retained until canceled or cleared by entering agency or expiration.

Temporary records will remain active for a maximum of one year from the date of entry.

Inactive records - Retained on-line for the remainder of the year in which cleared or expired plus five years.

Securities File

Retained for the remainder of the year of entry plus four years, except records for traveler's checks and money orders. These records will be retained for the remainder of the year of entry plus two years.

U.S. Secret Service Protective File

Retained indefinitely until action is taken by the U.S. Secret Service to remove it.

Unidentified Person File

Retained indefinitely or until removed by entering agency.

Vehicle File

Retained for the remainder of the year of entry plus four years.

Records entered which do not contain VINs or OANs will remain in file for 90 days after entry.

Felony vehicles will remain in file for 90 days after entry.

Stolen parts (VIN plates, harrows, or boat motors) which contain an OAN or SER will remain in file for the year of entry plus four years.

Violent Gang and Terrorist Organization File

GMC records - Automatically purged 5 years from the date of entry or when an entering agency removes its entry, providing that agency is the sole agency of interest for the group/subgroup.

Only records entered by corrections agencies remain past five years.

GRC records - Single interest - indefinitely or until removed by entering agency.

Multiple Interests - indefinitely or until all agencies remove their records.

Wanted Person File

Retained until action is taken by the originating agency to clear/cancel the record.

Temporary felony want records will be automatically removed from file after 48 hours.

SA [redacted]

FEDERAL BUREAU OF INVESTIGATION

b6
b7cTo: Director, FBI
Attn.: Criminal Investigative Division
Violent Crimes/Fugitive Unit

Date: 7/25/03

Instructions - Reverse Side

Note: Priority "A" and "B" Fugitives - With initial submission, set forth a synopsis of crime on reverse side.

From: SAC, LOS ANGELES

Subject: IRVING KOTT

☐ III Inquiry

Indicate Fugitive Priority

☒ Initial Submission☐ A☐ Initial Submission - Parental Kidnapping☐ B☐ Supplements FD-65 dated _____☐ C☐ D (Parental Kidnapping)

Check Applicable Warnings

Caution				<input type="checkbox"/> Armed and Dangerous				<input type="checkbox"/> Suicidal Tendencies				<input type="checkbox"/> Known to Abuse Alcohol				MKE																															
<input type="checkbox"/> Escape Risk				<input type="checkbox"/> Known to Use Narcotics				<input type="checkbox"/> Other																																							
Name IRVING ISRAEL KOTT												Sex M		Race W		NAM		SEX		RAC																											
Place of Birth CANADA				Birth Date 10/12/30				Date of Emancipation DOE				Height 6' 1"				Weight 185 LBS																															
Eye Color Hazel				Hair Color GREY				FBI No.				FBI				Skin Tone Light																															
Scars, Marks, Tattoos, and Other Characteristics																SMT																															
NCIC Fingerprint Classification						FPC						Other Identifying Number						MNU						Social Security #						SOC																	
Operator's License Number						OLN						Operator's License State						OLS						Year Expires						OLY																	
Offense Charged CONSPIRACY, SECURITIES FRAUD, MONEY LAUNDERING, CONCEALMENT OF																OFF																															
U. S. Code, Title and Section 18 USC 371, 18 USC 1001, 15 USC 78ff, 78 FF, 18 USC 1956, 18 USC 982, 21 USC 853																MATERIAL FACTS																															
Warrant Issued By CENTRAL DISTRICT OF CA. on 7/24/03																DOW				F.O File # 196C-LA-208098				OCA																							
Miscellaneous Including Bond Recommended NO BOND, MONTREAL DRIVER'S LICENSE - PB9M1B62P																(MIS)																															
MONTRUAL Picture ID CARD: A29191297																																															
License Plate and Vehicle Information																																															
License Plate Number				LIC				State				LIS				Year Expires				LIY				License Plate Type				LIT																			
Vehicle Identification #				VIN				Year				VYR				Make				VMA				Model				VMO				Style				VST				Color				VCO			
Aliases																Additional Identifiers CANADIAN CITIZEN. RESIDES IN MONTREAL, QUEBEC																															
NCIC # W034564927																NIC																															
2 - FBIHQ (1 - VC/FU)																																															
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PAGE 01 07/25/03 16:41:40 FBPA PRINT REQUESTED BY TERMINAL FBIA

TO: FBIA FROM: CLETS

07/25/03 16:41:32

4BSRDFBIAN.IW

CAFBILA00 RE: QW.CAFBILA00.FCN/1010320602561

MATCH MADE ON FCN/1010320602561

FCN FIELD SEARCH REVEALS:

ORI/CAFBILA00 FCN/1010320602561

**CAUTION: SEE MIS FIELD

**

NIC/W034564927

NAM/KOTT, IRVING ISRAEL 19301012 M W 601 185 GRY HAZ CD

DOW/20030724 WAR/196CLA208098 OFF/2699 FRAUD FEL ENT/2

DOP/20083 BAIL/NO BAIL

OCA/196208098 REF/SA [REDACTED] MIS/WNTD 4 SECURITY FRD, MONEY LNDR

Y & CONSP, RESIDES IN MONTREAL, DL PB9M1BG2P, ID A29191297

IMMEDIATELY CONFIRM WITH CAFBILA00 FBI-LOS ANGELES MNE/FBM0

TELEPHONE 310 477-6565

NCIC NOT CHECKED

***** END OF WPS MESSAGE *****

b6
b7c

PAGE 01 07/25/03 16:42:11 FBPA PRINT REQUESTED BY TERMINAL FBIA
TO: FBIA FROM: NCIC 07/25/03 16:42:09
4BSRDFBIAP.IJ
1L01
CAFBILA00

MKE/WANTED PERSON - CAUTION

FULL EXTRADITION UNLESS OTHERWISE NOTED IN THE MIS FIELD

ORI/CAFBILA00 NAM/KOTT, IRVING ISRAEL SEX/M RAC/W POB/CD DOB/19301012

HGT/601 WGT/185 EYE/HAZ HAI/GRY

OFF/FRAUD

DOW/20030724 OCA/196208098

MIS/WNTD 4 SECURITY FRD, MONEY LNDRY & CONSP, RESIDES IN MONTREAL, DL PB9M1BG2P,

MIS/ID A29191297 SA [REDACTED]

ORI IS FBI LOS ANGELES 310 477-6565

NIC/W034564927 DTE/20030725 1936 EDT

b6
b7C

PAGE 01 07/25/03 16:40: [REDACTED] FBPA PRINT REQUESTED BY [REDACTED] MINAL FBIA
TO: FBIA FROM: CLETS 07/25/03 16:40:43
4BSRDFBIAM.UW
WPS ENTRY
WANTED PERSON

ORI/CAFBILA00 FCN/1010320602561

**CAUTION: SEE MIS FIELD

**

NAM/KOTT, IRVING ISRAEL 19301012 M W 601 185 GRY HAZ CD

DOW/20030724 WAR/196CLA208098 OFF/2699 FRAUD FELONY

ENT/2 CALIFORNIA AND NCIC OCA/196208098 REF/SA [REDACTED]

DOP/20083 BAIL/NO BAIL

MIS/WNTD 4 SECURITY FRD, MONEY LNDRY & CONSP, RESIDES IN MONTREAL, DL PB

9M1BG2P, ID A29191297

IMMEDIATELY CONFIRM WITH CAFBILA00 FBI-LOS ANGELES MNE/FBM0

TELEPHONE 310 477-6565

***** END OF WPS MESSAGE *****

b6
b7c

PAGE 01 07/25/03 16:25: [REDACTED] FBPA PRINT REQUESTED BY [REDACTED] MINAL FBIA
TO: FBIA FROM: CWS IW 07/25/03 16:25:28
INFO - KOTT IRVING I NO HIT

PAGE 02

TO: FBIA FROM: CLETS

07/25/03 16:25:29

4BSRDFBIAI.IR

CAFBILA00 RE: QVC.CAFBILA00.NAM/KOTT, IRVING

NO MATCH NAM FIELD

NO WANTS

CHECKING NCIC

INQUIRY MADE TO RESTRAINING ORDER SYSTEM

***** END OF WPS MESSAGE *****

PAGE 03

TO: FBIA FROM: CLETS

07/25/03 16:25:29

4BSRDFBIAI.IW

8YYX.CAFBILA00 RE: QRR.CAFBILA00.NAM/KOTT,IRVING I.DOB/19301012.SEX/M.ROS/Y

NO MATCH NAM FIELD

NO RESTRAINING ORDERS

***** END OF DVROS MESSAGE *****

PAGE 04

TO: FBIA FROM: CLETS

07/25/03 16:25:29

4BSRDFBIAI.IR

CAFBILA00 RE: QVC.CAFBILA00.NAM/KOTT,IRVING I.SEX/M.DOB/19301012

NO MATCH NAM FIELD

NO SUPERVISED RELEASE RECORDS

***** END OF SUPERVISED RELEASE FILE MESSAGE *****

PAGE 05

TO: FBIA FROM: NCIC

07/25/03 16:25:30

4BSRDFBIAI.IJ

1L01

CAFBILA00

NO NCIC WANT NAM/KOTT, IRVING I DOB/19301012 SEX/M

PAGE 01 07/25/03 16:25: [REDACTED] FBPA PRINT REQUESTED BY [REDACTED] MINAL FBIA

TO: FBIA FROM: CLETS

07/25/03 16:24:48

PAGE 001

4BSRDFBIAH.IH

RE:QHA.CAFBILA00.NAM/KOTT, IRVING

DATE:20030725 TIME:16:24:49

RESTRICTED-DO NOT USE FOR EMPLOYMENT,LICENSING OR CERTIFICATION PURPOSES

ATTN:SA [REDACTED]-196C

RECORD #	NAM	DOB	S	R	HGT	EYE	HAI	TYP
M91179428	[REDACTED]	[REDACTED]						APP
M91190063	[REDACTED]	[REDACTED]						APP

b6
b7C

* * * * * END OF MESSAGE * * * * *

PAGE 01 07/25/03 16:25: FBPA PRINT REQUESTED BY TERMINAL FBIA
TO: FBIA FROM: NCIC 07/25/03 16:24:52
4BSRDFBIAH.IJ

PAGE 004

NL01
CAFBILA00

NO IDENTIFIABLE RECORD IN THE NCIC INTERSTATE IDENTIFICATION INDEX
(III) FOR NAM/KOTT,IRVING I.SEX/M.RAC/U.DOB/19301012.PUR/C.

NOTICE -- A LARGE NUMBER OF RECORDS FOR PERSONS BORN PRIOR TO 1956 ARE
NOT AUTOMATED AT THE FBI. IF A SEARCH OF THE NONAUTOMATED FILES IS
DESIRED, A FINGERPRINT CARD SHOULD BE SUBMITTED.

END

196C-LA-205098-184

②
MS
MEIS

Squad supervisor approval
(please initial)Accomplishment involves:
(check all that apply)

- Drugs ☐
- A Fugitive ☐
- Bankruptcy Fraud ☐
- Computer Fraud/Abuse ☐
- Corruption of Public Officials ☐
- Money Laundering ☐
- Sub Invest Asst by FO (s) ☐

Asst. FO(s)
A, B, C, DTask Force
 Assisting Agencies x •
1.
2.

File Number

196C-LA-208098Stat Agent Soc. Sec. No.
 Stat Agent Name

RA

Squad

Assisting Agents Soc. Sec. No. x

1. Name:
 2. Name:

Accomplishment Report

Accomplishment must be reported and loaded into ISRAA
within 30 days from date of accomplishment)Date Prepared 8-7-03Date Loaded 8-7-03Data Loader's Initials CS

Investigative Assistance or Technique Used

1-Used, but did not help

3 - Helped, substantially

2 - Helped, minimally

4 - Absolutely essential

For Sub. Invest. Assist. by other FO (s) indicate A,B,C,D for corresponding FO

Rate	FO	IAT	Rate	FO	IAT	Rate	FO	IAT	Rate	FO	IAT
	Fin. Analyst			Lab. Div. Exam			UCO - Group I			FL Mon. - NRCSC	
	Aircraft Asst.			Lab. Field Sup			UCO - Group II			For. Lang Asst.	
	Computer			Pen Registers			UCO - Nat. Back			Non FBI Lab Ex	
	Consen Mon.			Photo Cover.			NCAVC / VI - CAP			Vict-Witn Coor	
	Elsur / FISC			Polygraph			Crim/NS Intel Asst				
	Elsur / T. III			Search Warrant			Crisis Neg. - Fed.				
	Eng. Field Spt.			Show Money			Crisis Neg. - Local				
	Eng. Tape Ex			SOG Asst.			ERT Asst.				
	Legats Asst.			Swat Team			Butte - ITC				
	Evid Purchase			Tech. Ag/Equip.			Sav - ITC				
	Int/CW Info			Phone Toll Rec			Poc - WRCSC				

b6
b7C
b7D

OTHER per sealing order

N. Subject Information (Required for all Sections excluding Section D (Recovery/PELP), Section E (Hostage), Section I, and Section L.)

Name	Race •	Sex	Date of Birth	Social Security No. (if available)
<u>IRVING ISRAEL KOTT</u>	<u>W</u>	<u>M</u>	<u>10/12/30</u>	

For Indictments/Convictions only:

- ☐ Subject related to an LCN, Asian Organized Crime (AOC), Italian Organized Crime (IOC), Russian/Eastern European, Caribbean, or Nigerian Organized Crime Group - Complete FD-515a, Side 1 Blocks A-E mandatory, F-H as appropriate.
- ☐ Subject related to an OC/Drug Organization, a VCMO Program National Gang Strategy target group, or a VCMO Program National Priority Initiative target group - Complete FD-515a, Side 1 Blocks A-C only.

X Additional Information may be added by attaching another form or a plain sheet of paper for additional entries.

• See codes on reverse side.

✓ Requires that an explanation be attached and loaded into ISRAA for recovery over \$1m and PELP over \$5m.

Serial No. of FD-515

195

PROPERTY CODES

01 Cash
02 Stocks, Bonds or Negot. Instruments
03 General Retail Merchandise
04 Vehicles
05 Heavy Machinery & Equipment
06 Aircraft
07 Jewelry
08 Vessels
09 Art, Antiques or Rare Collections
11 Real Property
20 All Other

SENTENCE TYPES

CP Capital Punishment
JS Jail Sentence
LS Life Sentence
NS No Sentence (Subject is a Fugitive, Insane, has Died, or is a Corporation)
PB Probation
SJ Suspension of Jail Sentence
YC Youth Correction Act

PELP CODES

22 Counterfeit
Stocks/Bonds/Currency/
Negotiable Instruments
23 Counterfeit/Pirated Sound
Recordings or Motion Pictures
24 Bank Theft Scheme Aborted
25 Ransom, Extortion or Bribe
Demand Aborted
26 Theft From or Fraud Against
Government Scheme Aborted
27 Commercial or Industrial
Theft Scheme Aborted
30 All Other

RACE CODES

A Asian/Pacific Islander
B Black
I Indian/American
U Unknown
W White
X Nonindividual

AGENCY CODES

ACIS Army Criminal Investigative Service
BATF Bureau of Alcohol, Tobacco & Firearms
BIA Bureau of Indian Affairs
DCAA Defense Contract Audit Agency
DCIS Defense Criminal Investigative Service
DEA Drug Enforcement Administration
DOC Department of Corrections
DOI Dept. of Interior
EPA Environmental Protection Agency
FAA Federal Aviation Administration
FDA Food and Drug Administration
HHS Dept. of Health & Human Services
HUD Dept. of Housing & Urban Development
INS Immigration and Naturalization Service
IRS Internal Revenue Service
NASA Nat'l Aeronautics & Space Admin
NBIS Nat'l NARC Border Interdiction
NCIS Naval Criminal Investigative Service
RCMP Royal Canadian Mounted Police
SBA Small Business Administration
USBP U.S. Border Patrol
USCG U.S. Coast Guard
USCS U.S. Customs Service
USDS U.S. Department of State
USMS U.S. Marshals Service
USPS U.S. Postal Service
USSS U.S. Secret Service
USTR U.S. Treasury
LOC Local
CITY City
COUN County
ST State
OTHR Other

JUDGMENT CODES

CJ Consent Judgment
CO Court Ordered Settlement
DF Default Judgment
DI Dismissal
JN Judgment Notwithstanding
MV Mixed Verdict
SJ Summary Judgment
VD Verdict for Defendant
VP Verdict for Plaintiff

JUDICIAL OUTCOME

AG Agreement
BR Barred/Removed
CC Civil Contempt
DC Disciplinary Charges
FI Fine
PI Preliminary Injunction
PR Temporary Restraining Order
PS Pre-filing Settlement
RN Restitution
SP Suspension
VR Voluntary Resignation
OT Other

SUBJECT PRIORITY

A Subject wanted for crimes of violence (i.e., murder, manslaughter, forcible rape) against another individual or convicted of such a crime in the past five years
B Subject wanted for crimes involving loss or destruction of property valued in excess of \$25,000 or convicted of such a crime in the past five years.
C All other subjects.

SUBJECT DESCRIPTION CODES

ORGANIZED CRIME SUBJECTS

1F Boss
1G Underboss
1H Consigliere
1J Acting Boss
1K Capodecina
1L Soldier

KNOWN CRIMINALS

2A Top Ten or I.O. Fugitive
2B Top Thief
2C Top Con Man

FOREIGN NATIONALS

3A Legal Alien
3B Illegal Alien
3C Foreign Official W/out
Diplomatic Immunity
3D U.N. Employee W/out
Diplomatic Immunity
3E Foreign Student
3F All Others

OTHERS

8A All Other Subjects
8B Company or Corporation

TERRORISTS

4A Known Member of a
Terrorist Organization
4B Possible Terrorist Member
or Sympathizer

UNION MEMBERS

5D President
5E Vice-President
5F Treasurer
5G Secretary/Treasurer
5H Executive Board Member
5I Business Agent
5J Representative
5K Organizer
5L Business Manager
5M Financial Secretary
5N Recording Secretary
5P Office Manager
5Q Clerk
5R Shop Steward
5S Member
5T Trustee
5U Other

GOVERNMENT SUBJECTS (6F,6G,6H- Include Agency Code)

6A Presidential Appointee
6B U.S. Senator/Staff
6C U.S. Representative/Staff
6D Federal Judge/Magistrate
6E Federal Prosecutor
6F Federal Law Enforcement Officer
6G Federal Employee - GS 13 & Above
6H Federal Employee - GS 12 & Below
6I Governor
6K Lt. Governor
6L State Legislator
6M State Judge/Magistrate
6N State Prosecutor
6P State Law Enforcement Officer
6Q State - All Others
6R Mayor
6S Local Legislator
6T Local Judge/Magistrate
6U Local Prosecutor
6V Local Law Enforcement Officer
6W Local - All Others
6X County Commissioner
6Y City Councilman

BANK EMPLOYEES

7A Bank Officer
7B Bank Employee



U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

11000 Wilshire Boulevard #1700
P. O. Box 24650
Los Angeles, California 90024
(310) 477-6565
July 1, 2003

[Redacted] Esq:
Cleary, Gottlieb
New York, New York

Dear Mr, [Redacted]

Per your conversation with SA [Redacted] on
June 30, 2003, please furnish information regarding the transfer
of accounts from Adler Coleman Clearing Corporation to JB Oxford
and Company.

b6
b7c

SA [Redacted] can be contacted at [Redacted]

By

RONALD L. IDEN
Assistant Director in Charge

By: [Redacted] 

[Redacted]
Supervisory Special Agent

196C-LA-208078-186

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 02/17/2004

To: Los Angeles

From: Los Angeles

Approved By:

Drafted By:

Case ID #: 318C-LA-208098 (Pending) -188

Title: Irving Kott, dba
Turret Consultants, Inc.
Jb Oxford Holdings, Inc.
Securities Fraud;

Synopsis: Prosecutive status of case

OTHER per sealing order

Details:

Q

AUSA [redacted] advised that he is leaving the Los Angeles United States Attorneys office and a new AUSA will be assigned the case.

♦♦

b6
b7C

048MJS01.04

318C-LA-208098-188

Handwritten signature



U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

Los Angeles, California 90024
May 3, 2004

REQUEST FOR SIGNIFICANT PUBLIC BENEFIT PAROLE

The Los Angeles Division of the Federal Bureau of Investigation (FBI) is seeking to obtain a Significant Public Benefit Parole for the below described individual. The following information is provided:

I. INDIVIDUAL/PAROLEE INFORMATION

Name: Irving Isreal Kott
Alias: None
Gender: Male
Date of Birth: 10/12/30
Country of Birth: Canada
Country of citizenship: Canada
Alien number: #53310, issued by USDOJ:INS, Canadian
border crossing card
Passport number: JS898454
Country of Issuance/expiration date: Canada: 9/10/07

II. JUSTIFICATION

This parole is being requested in order for defendant Kott to enter the United States, specifically, Los Angeles, California and [REDACTED]

OTHER per sealing order

III. INDIVIDUAL/PAROLEE CRIMINAL ACTIVITY

Kott has a prior criminal history. In or about May 1976, defendant Kott was criminally convicted of conspiracy to defraud in Canada. In or about February 1979, defendant Kott was criminally convicted in Canada of conspiracy to defraud in connection with an investment prospectus, a conviction that was later overturned on appeal. A current NCIC check was conducted with negative results. Kott is not a threat to

REQUEST FOR SIGNIFICANT PUBLIC BENEFIT PAROLE

public safety or national security. No security precautions are proposed.

IV. INS HISTORY

Unknown

V. INDIVIDUAL/PAROLEE SUBSISTENCE

Kott will pay his living expenses entirely through personal funds. The following relatives of Kott reside in the United States:



b6
b7C

VI. TRAVEL INFORMATION

Kott will travel on Friday, May 7, 2004 from Montreal (Elliott Trudeau Airport) to Los Angeles, CA. (Los Angeles International Airport) on Air Canada flight #797, departing at approximately 8:40am e.s.t.

Kott will visit [redacted] from May 7, 2004 through May 11, 2004. On Tuesday, May 11th Kott will be staying at the Pines Hotel in Beverly Hills, Ca.

VII. ADMINISTRATIVE

This request is for a single entry parole.

REQUEST FOR SIGNIFICANT PUBLIC BENEFIT PAROLE

VIII. REQUESTING AGENCY INFORMATION

Control Agent: SA [redacted] FBI
Daytime telephone #: [redacted]
Cellular #: [redacted]
Facsimile: [redacted]

b6
b7C

Squad supervisor: SSA [redacted]
Daytime telephone #: [redacted]

The United States Attorney's Office for the Central District of California has been notified and concurs with this parole request. The Assistant United States Attorney (AUSA) assigned to this case is [redacted] telephone # [redacted]

[redacted] The SAC/ASAC has approved this parole request.

IX. CERTIFICATION

AS the Squad Supervisor, I understand that, should this parole be granted, it is my responsibility to report Kott's entry, and any subsequent changes in his parole status(i.e. departure, extension, or change in status to my Headquarters, who in turn will notify the INS Headquarters Parole Branch

Signature:

Print Name

Date:

5/3/2004
May 3, 2004

b6
b7C

FEDERAL BUREAU OF INVESTIGATION

Precedence: IMMEDIATE

Date: 05/03/2004

To: Criminal Investigative

Attn:

[Redacted]
[Redacted]
Room [Redacted]

b6
b7C
b7E

Attn: Financial Crimes Section, ECU

✓ From: Los Angeles

Contact: [Redacted]

Approved By: [Redacted]

Drafted By: [Redacted]

Case ID #: 318C-LA-208098 (Pending) 190

Title: Irving Kott, dba
JB Oxford Holdings, Inc
et al;
Securities Fraud

Synopsis: Significant Public Benefit Parole (SPBP) request
for defendant Irving Kott

Enclosures: Enclosed is an LHM containing the data necessary
to seek a Significant Public Benefit Parole for Irving Kott.

Details: A SPBP is being requested in order to allow Kott
entry into the United States from Canada on Friday, May 7,
2004 to [Redacted]

[Redacted] Kott will travel from
Montreal to Los Angeles, California on Air Canada flight 797,
departing at 8:40 am e.s.t.

OTHER per sealing order

To: Criminal Investigative From: Los Angeles
Re: 318C-LA-208098, 05/03/2004

LEAD(s):

Set Lead 1: (Action)

CRIMINAL INVESTIGATIVE

AT WASHINGTON, DC

☐ Process Significant Public Benefit Parole
request for defendant Irving Kott.

b7E

Set Lead 2: (Adm)

Criminal Investigative

AT WASHINGTON, DC

ECU: Read and clear.

♦♦



U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

Los Angeles, California 90024
May 17, 2004

REQUEST FOR SIGNIFICANT PUBLIC BENEFIT PAROLE

The Los Angeles Division of the Federal Bureau of Investigation (FBI) is seeking to obtain a Significant Public Benefit Parole for the below described individual. The following information is provided:

I. INDIVIDUAL/PAROLEE INFORMATION

Name: Irving Isreal Kott
Alias: None
Gender: Male
Date of Birth: 10/12/30
Country of Birth: Canada
Country of citizenship: Canada
Alien number: #53310, issued by USDOJ:INS, Canadian border crossing card
Passport number: JS898454
Country of Issuance/expiration date: Canada: 9/10/07

II. JUSTIFICATION

OTHER per sealing order

This parole is being requested in order for defendant Kott to enter the United States and travel to Los Angeles, California to [REDACTED]

REQUEST FOR SIGNIFICANT PUBLIC BENEFIT PAROLE

OTHER per sealing order

III. INDIVIDUAL/PAROLEE CRIMINAL ACTIVITY

Kott has a prior criminal history. In or about May 1976, defendant Kott was criminally convicted of conspiracy to defraud in Canada. In or about February 1979, defendant Kott was criminally convicted in Canada of conspiracy to defraud in connection with an investment prospectus, a conviction that was later overturned on appeal. A current NCIC check was conducted with negative results. Kott is not a threat to public safety or national security. No security precautions are proposed.

IV. INS HISTORY

Unknown

V. INDIVIDUAL/PAROLEE SUBSISTENCE

Kott will pay his living expenses entirely through personal funds. The following relatives of Kott reside in the United States:

b6
b7C

REQUEST FOR SIGNIFICANT PUBLIC BENEFIT PAROLE

VI. TRAVEL INFORMATION

Kott will travel on Tuesday, June 1, 2004 from Montreal (Elliott Trudeau Airport) to Los Angeles, CA. (Los Angeles International Airport) on Air Canada flight #797, departing at approximately 8:40am e.s.t. Kott will stay at the Peninsula Hotel in Beverly Hills, California from ? to ?. Kott will depart Los Angeles, California and return to Montreal on ?.

VII. ADMINISTRATIVE

This request is for a single entry parole.

III. REQUESTING AGENCY INFORMATION

Control Agent: SA [redacted] FBI
Daytime telephone #: [redacted]
Cellular #: [redacted]
Facsimile: [redacted]

b6
b7C

Squad supervisor: SSA [redacted]
Daytime telephone #: [redacted]

The United States Attorney's Office for the Central District of California has been notified and concurs with this parole request. The Assistant United States Attorney (AUSA) assigned to this case is [redacted] telephone # [redacted]

[redacted] The SAC/ASAC has approved this parole request.

REQUEST FOR SIGNIFICANT PUBLIC BENEFIT PAROLE

IX. CERTIFICATION

AS the Squad Supervisor, I understand that, should this parole be granted, it is my responsibility to report Kott's entry, and any subsequent changes in his parole status(i.e. departure, extension, or change in status to my Headquarters, who in turn will notify the INS Headquarters Parole Branch.

Signature: _____ Date: _____

Print Name: _____



FBI FACSIMILE

COVER SHEET

PRECEDENCE

- ☐ Immediate
☐ Priority
☒ Routine

CLASSIFICATION

- ☐ Top Secret
☐ Secret
☐ Confidential
☐ Sensitive
☒ Unclassified

Time Transmitted: _____

Sender's Initials: _____

 Number of Pages: 2
 (including cover sheet)

 To: HQ PAROLE BRANCH
 Name of Office
Date: 6/25/64Facsimile Number: (202) 514-0542
 Attn: _____
 Name Room Telephone

 From: FBI LOS ANGELES
 Name of Office

 Subject: SPBP - IRVING KOTT
CASE # LAO 9615/NJJ

Special Handling Instructions: _____

Originator's Name: _____ Telephone: _____

Originator's Facsimile Number: 310-996-4194

Approved: _____

Brief Description of Communication Faxed: _____

WARNING

Information attached to the cover sheet is U.S. Government Property. If you are not the intended recipient of this information, disclosure, reproduction, distribution, or use of this information is prohibited (18 USC § 641). Please notify the

 b6
 b7E

MESSAGE CONFIRMATION

06/25/2004 14:28

DATE	TIME	S,R-TIME	DISTANT STATION ID	MODE	PAGES	RESULT
06/25	14:27	00'42"	2023075717	CALLING	02	OK 0000

*dialed
(202) 514-0542
got rerouted to
MJS.*



FBI FACSIMILE

COVER SHEET

PRECEDENCE

- ☐ Immediate
☐ Priority
☒ Routine

CLASSIFICATION

- ☐ Top Secret
☐ Secret
☐ Confidential
☐ Sensitive
☒ Unclassified

Time Transmitted: _____
 Sender's Initials: _____
 Number of Pages: 2
 (including cover sheet)

To: _____

Name of Office

Date: 6/25/04

b6
b7C
b7E

Facsimile Number: _____

(202) 324-5667

Attn: _____

Name

Room

Telephone

From: FBI LOS ANGELES

Name of Office

Subject: _____

SPBP - IRVING KOTTCASO # LAO 9615 / NJT

Special Handling Instructions: _____

Originator's Name: _____

Telephone: _____

b6
b7C

Originator's Facsimile Number: 310-996-4194

Approved: _____

Brief Description of Communication Faxed: _____

WARNING

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MESSAGE CONFIRMATION

06/25/2004 14:30

DATE	TIME	S,R-TIME	DISTANT STATION ID	MODE	PAGES	RESULT
06/25	14:30	00'43"	202 324 5667	CALLING	02	OK 0000



U. S. Department of Justice

**United States Attorney
Central District of California**United States Courthouse
312 North Spring Street
Los Angeles, California 90012**FACSIMILE TRANSMISSION****COVER PAGE**DATE: June 14, 2004

TO:

FBI

b6
b7c

FROM:

A.U.S.A.

ORGANIZATION: U.S. ATTORNEY'S OFFICE CENTRAL DISTRICT OF CALIF.

PHONE:

TELEFAX NO.: (213) 894-6269NO. OF PAGES: 40 (Including cover page)

MESSAGE:

OTHER per sealing order

NOTE: If you don't receive the total indicated pages, please call the sending individual listed above.3/8C-4A-208088
-193



FBI FACSIMILE COVER SHEET

PRECEDENCE

- ☐ Immediate
☐ Priority
☒ Routine

CLASSIFICATION

- ☐ Top Secret
☐ Secret
☐ Confidential
☐ Sensitive
☒ Unclassified

Time Transmitted: _____

Sender's Initials: _____

 Number of Pages: 2
 (including cover sheet)

 To: _____
 Name of Office

 Date: 6/10/04
 b6
 b7C
 b7E
Facsimile Number: (202) 324-5667
 Attn: _____
 Name Room Telephone

 From: FBI LOS ANGELES
 Name of Office

 Subject: SPBP - IRVING KOTT
CAS # LAO 9615 / NJT

Special Handling Instructions: _____

 Originator's Name: _____ Telephone: _____
 b6
 b7C
 b7E
Originator's Facsimile Number: 310-996-4194

Approved: _____

Brief Description of Communication Faxed: _____

WARNING

Information attached to the cover sheet is U.S. Government Property. If you are not the intended recipient of this information, disclosure, reproduction, distribution, or use of this information is prohibited (18.U.S.C. § 641). Please notify the originator of the local FBI Office immediately to arrange for proper disposition.

MESSAGE CONFIRMATION

06/10/2004 15:02

DATE	TIME	S,R-TIME	DISTANT STATION ID	MODE	PAGES	RESULT
06/10	15:01	00'44"	202 324 5667	CALLING	02	OK 0000



FBI FACSIMILE

COVER SHEET

PRECEDENCE

- ☐ Immediate
☐ Priority
☒ Routine

CLASSIFICATION

- ☐ Top Secret
☐ Secret
☐ Confidential
☐ Sensitive
☒ Unclassified

Time Transmitted: _____

Sender's Initials: _____

 Number of Pages: 2
 (including cover sheet)

To: _____

HQ PAROLE BRANCH

Name of Office

Date: _____

6/30/04

Facsimile Number: _____

(202) 514-0542

Attn: _____

Name

Room

Telephone

From: FBI LOS ANGELES

Name of Office

Subject: _____

SPBP - IRVING KOTTCASE # LAO 9615 / NJT

Special Handling Instructions: _____

Originator's Name: _____

Telephone: _____

Originator's Facsimile Number: 310-996-4194

Approved: _____

Brief Description of Communication Faxed: _____

WARNING

Information attached to the cover sheet is U.S. Government Property. If you are not the intended recipient of this information, disclosure, reproduction, distribution, or use of this information is prohibited (18.U.S.C. § 641). Please notify the originator of the local FBI Office immediately to arrange for proper disposition.

 b6
 b7C
 b7E

MESSAGE CONFIRMATION

06/10/2004 15:00

DATE	TIME	S,R-TIME	DISTANT STATION ID	MODE	PAGES	RESULT
06/10	14:51	01'28"	2023075717	CALLING	02	OK 0000

NCIC CLEARANCE FORM WANTED PERSON

Date 3/26/04
 File Number 318C-LA-208098
 Agent
 Squad Handling Classification

b6
b7C

Please **CANCEL** or **LOCATE** (CIRCLE ONE) the following record: CANCEL if FBI Los Angeles is the office of origin and subject's in custody; warrant recalled, or dismissed. LOCATE if the warrant was entered into NCIC by another field office or if entered by a local law enforcement agency.

ORI - CAFBILA00

Name/ (last, first, middle) KOTT, IRVING ISRAEL
 NIC/ (NCIC number) W034564927
 FCN/ (file control number) 1010320602561
 DOL/ (date wanted person located) _____
 Locating Agency _____
 Locating Agency's File Number _____ OTHER per sealing order
 Date Warrant Recalled Or Dismissed
 SOC/ (social security number) N/A
 FBI/ (FBI number) CANBILW CITIZEN
 In Custody Of _____

NCIC	SUPR.	OPR.	AGENT
ENTER <input type="checkbox"/>			
MODIFY <input type="checkbox"/>			
CLEAR <input type="checkbox"/>			
CANCEL <input checked="" type="checkbox"/>	<u>MMO</u>	<u>SA</u>	<u>MIS</u>
LOCATE <input type="checkbox"/>			
DATE <u>3/26/04</u> NCIC# <u>W034564927</u>			

-197
318C-LA-208098 M

PAGE 01' 03/26/04 10:01:23 FBPA PRINT REQUESTED BY TERMINAL FBIA
TO: FBIA FROM: CLETS 03/26/04 10:01:23
4BSRDFBIAT.UW
CANCEL FCN/1010320602561 WAR/196CLA208098
NAM/KOTT, IRVING ISRAEL
***** END OF WPS MESSAGE *****

PAGE 01' 03/26/04 10:00:11 FBPA PRINT REQUESTED BY TERMINAL FBIA
TO: FBIA FROM: CLETS 03/26/04 10:00:23

4BSRDFBIAR.IW

CAFBILA00 RE: QW.CAFBILA00.FCN/1010320602561

MATCH MADE ON FCN/1010320602561

FCN FIELD SEARCH REVEALS:

ORI/CAFBILA00 FCN/1010320602561

**CAUTION: SEE MIS FIELD

**

NIC/W034564927

NAM/KOTT, IRVING ISRAEL 19301012 M W 601 185 GRY HAZ CD

DOW/20030724 WAR/196CLA208098 OFF/2699 FRAUD FEL ENT/2

DOP/20083 BAIL/NO BAIL

OCA/196208098 REF/SA [REDACTED] MIS/WNTD 4 SECURITY FRD, MONEY LNDR

Y & CONSP, RESIDES IN MONTREAL, DL PB9M1BG2P, ID A29191297

IMMEDIATELY CONFIRM WITH CAFBILA00 FBI-LOS ANGELES MNE/FBM0

TELEPHONE 310 477-6565

NCIC NOT CHECKED

***** END OF WPS MESSAGE *****

b6
b7c

PAGE 02

TO: FBIA FROM: CLETS

03/25/04 14:32:10

4BSRDFBIAK.IH

R. INQUIRY SUCCESSFUL

PAGE 01' 03/26/04 10:00:54 FBPA PRINT REQUESTED BY TERMINAL FBIA
TO: FBIA FROM: NCIC 03/26/04 10:00:54
4BSRDFBIAS.IJ
1L01
CAFBILA00

MKE/WANTED PERSON - CAUTION
FULL EXTRADITION UNLESS OTHERWISE NOTED IN THE MIS FIELD
ORI/CAFBILA00 NAM/KOTT, IRVING ISRAEL SEX/M RAC/W POB/CD DOB/19301012
HGT/601 WGT/185 EYE/HAZ HAI/GRY
OFF/FRAUD
DOW/20030724 OCA/196208098
MIS/WNTD 4 SECURITY FRD. MONEY LNDRY & CONSP, RESIDES IN MONTREAL, DL PB9M1BG2P,
MIS/ID A29191297 SA [REDACTED]
ORI IS FBI LOS ANGELES 310 477-6565
NIC/W034564927 DTE/20030725 1936 EDT

b6
b7c

PAGE.01' 03/26/04 10:01:30 FBPA PRINT REQUESTED BY TERMINAL FBIA
TO: FBIA FROM: CLETS 03/26/04 10:01:35
4BSRDFBIAU.IW
CAFBILA00 RE: QW.CAFBILA00.FCN/1010320602561
NO WANTS
NCIC NOT CHECKED
***** END OF WPS MESSAGE *****

PAGE.01' 03/26/04 10:01:50 FBPA PRINT REQUESTED BY TERMINAL FBIA
TO: FBIA FROM: NCIC 03/26/04 10:01:50
4BSRDFBIAV.IJ
1L01
CAFBILA00

NO NCIC WANT NIC/W034564927



U. S. Department of Justice

*United States Attorney
Central District of California*

Jeffrey B. Isaacs
Assistant United States Attorney
(213) 894-0719
SunGarafaloLtr7

1100 United States Courthouse
312 North Spring Street
Los Angeles, California 90012

May 6, 2004

VIA TELEFAX AND U.S. MAIL

[Redacted] Esq.

Jones Day
555 West 5th Street, Suite 4600
Los Angeles, California 90013-1025
FAX: (213) 243-2539

b6
b7c

[Redacted] Esq.

Liner Yankelevitz Sunshine & Regenstreif LLP
1100 Glendon Avenue, 14th Floor
Los Angeles, California 90024-3503
FAX: (310) 500-3501

Re: Federal Criminal Investigation of
Irving Kott, et al.

Dear Counsel:

You have requested "safe passage" for your client, Irving Kott, to travel to the United States during the period May 6, 2004 through May 20, 2004, inclusive, to meet and confer with you [Redacted]

OTHER per sealing order

318C-LA-20809P-200

ⓧ

Mk

[REDACTED] Esq.

[REDACTED] Esq.

b6
b7C

Re: Federal Criminal Investigation of
Irving Kott, et al.

May 6, 2004

Page 2

OTHER per sealing order

[REDACTED]

[REDACTED]

Should Mr. Kott experience any problems when entering, or
while in the United States, you should contact Special Agent
[REDACTED] of the Federal Bureau of Investigation at
[REDACTED]

b6
b7C

Sincerely,

DEBRA W. YANG
United States Attorney
Central District of California

[REDACTED]

Assistant United States Attorney
Deputy Chief, Major Frauds Section

cc:

[REDACTED]

Accomplishment Report

(Accomplishment must be reported and loaded into ISRAA within 30 days from date of accomplishment)

Date Prepared

Date Loaded 10-21-04

Data Loader's Initials CS

Squad supervisor approval
(please initial)

Accomplishment involves:
(check all that apply)

Drugs ☐

A Fugitive ☐

Bankruptcy Fraud ☐

Computer Fraud/Abuse ☐

Corruption of Public Officials ☐

Money Laundering ☐

Sub Invest Asst by FO (s) ☐

Asst. FO(s)
A, B, C, D

Task Force

Assisting Agencies x •
1.
2.File Number
318C-LA-208098

Stat Agent Soc. Sec. No.

Stat Agent Name

RA Squad

Assisting Agents Soc. Sec. No. x

1. - -

Name:

2. - -

Name:

Investigative Assistance or Technique Used

1-Used, but did not help

3 - Helped, substantially

2 -Helped, minimally

4 - Absolutely essential

For Sub. Invest. Assist. by other FO (s) indicate A,B,C,D for corresponding FO

Rate	FO	IAT	Rate	FO	IAT	Rate	FO	IAT	Rate	FO	IAT
		Fin. Analyst			Lab. Div. Exam			UCO - Group I			Ft. Mon.- ITC
		Aircraft Asst.			Lab. Field Sup			UCO - Group II			For. Lang Asst.
		Computer			Pen Registers			UCO - Nat. Back			Non FBI Lab Ex
		Consen Mon.			Photo Cover.			NCAVC / VI - CAP			Vict-Withn Coor
		Elsur / FISC			Polygraph			Crim/NS Intel Asst			IO Wanted Flyer
		Elsur / T. III			Search Warrant			Crisis Neg. - Fed.			SARs
		Eng. Field Spt.			Show Money			Crisis Neg. - Local			CART
		Eng. Tape Ex			SOG Asst.			ERT Asst.			Asset Forf Prog
		Legats Asst.			Swat Team			Butte - ITC			Forf Support Proj
		Evid Purchase			Tech. Ag/Equip.			Sav - ITC			
		Inf/CW Info			Phone Toll Rec			Poc - IT/OTHER			per sealing order

b6

b7C

b7E

P. Subject Information - Required for all blocks excluding block D (Recovery/PELP), blocks E, I, L, and N.

Name	Race •	Sex	Date of Birth	Social Security No. (if available)
IRVING ISRAEL KOTT	W	M	10/12/30	

For Indictments/Convictions only:

- ☐ Subject related to an LCN, Asian Organized Crime (AOC), Italian Organized Crime (IOC), Russian/Eastern European, Caribbean, or Nigerian Organized Crime Group - Complete FD-515a, Side 1 Blocks A-E mandatory, F-H as appropriate.
- ☐ Subject related to an OC/Drug Organization, a VCMO Program National Gang Strategy target group, or a VCMO Program National Priority Initiative target group - Complete FD-515a, Side 1 Blocks A-C only.

- x Additional information may be added by attaching another form or a plain sheet of paper for additional entries.
- See codes on reverse side.

✓ Requires that an explanation be attached and loaded into ISRAA for recovery over \$1m and PELP over \$5, disruption, dismantlement, and drug seizures.

Serial No. of FD-515

201

For Further Instructions See: MAOP, Part II, Sections 3-5 thru 3-5.3.

PROPERTY CODES

01 Cash
02 Stocks, Bonds or Negot. Instruments
03 General Retail Merchandise
04 Vehicles
05 Heavy Machinery & Equipment
06 Aircraft
07 Jewelry
08 Vessels
09 Art, Antiques or Rare Collections
11 Real Property
20 All Other

SENTENCE TYPES

CP Capital Punishment
JS Jail Sentence
LP Life Parole
LS Life Sentence
NS No Sentence (Subject is a Fugitive,
Insane, has Died, or is a
Corporation)
PB Probation
SJ Suspension of Jail Sentence
YC Youth Correction Act

PELP CODES

22 Counterfeit
Stocks/Bonds/Currency/
Negotiable Instruments
23 Counterfeit/Pirated Sound
Recordings or Motion Pictures
24 Bank Theft Scheme Aborted
25 Ransom, Extortion or Bribe
Demand Aborted
26 Theft From or Fraud Against
Government Scheme Aborted
27 Commercial or Industrial
Theft Scheme Aborted
30 All Other

RACE CODES

A Asian/Pacific Islander
B Black
I Indian/American
U Unknown
W White
X Nonindividual

AGENCY CODES

AFOIS Air Force Office of Special Investigations
ACIS Army Criminal Investigative Service
BATF Bureau of Alcohol, Tobacco & Firearms
BIA Bureau of Indian Affairs
DCAA Defense Contract Audit Agency
DCIS Defense Criminal Investigative Service
DEA Drug Enforcement Administration
DOC Department of Corrections
DOI Dept. of Interior
EPA Environmental Protection Agency
FAA Federal Aviation Administration
FDA Food and Drug Administration
HHS Dept. of Health & Human Services
HUD Dept. of Housing & Urban Development
INS Immigration and Naturalization Service
IRS Internal Revenue Service
NASA Nat'l Aeronautics & Space Admin
NBIS Nat'l NARC Border Interdiction
NCIS Naval Criminal Investigative Service
RCMP Royal Canadian Mounted Police
SBA Small Business Administration
USBP U.S. Border Patrol
USCG U.S. Coast Guard
USCS U.S. Customs Service
USDS U.S. Department of State
USMS U.S. Marshals Service
USPS U.S. Postal Service
USSS U.S. Secret Service
USTR U.S. Treasury
LOC Local
CITY City
COUN County
ST State
OTHR Other

JUDGMENT CODES

CJ Consent Judgment
CO Court Ordered Settlement
DF Default Judgment
DI Dismissal
JN Judgment Notwithstanding
MV Mixed Verdict
SJ Summary Judgment
VD Verdict for Defendant
VP Verdict for Plaintiff

JUDICIAL OUTCOME

AG Agreement
BR Barred/Removed
CC Civil Contempt
DC Disciplinary Charges
FI Fine
PI Preliminary Injunction
PR Temporary Restraining Order
PS Pre-filing Settlement
RN Restitution
SP Suspension
VR Voluntary Resignation
OT Other

DRUG CODES

COC Cocaine
HER Heroin
HSH Hashish
KAT Khat
LSD LSD
MAR Marijuana
MDM Methylenedioxymethamphetamine
MET Methamphetamine
MOR Morphine
OPM Opium
OTD Other drugs

DRUG WEIGHT CODES

GM Gram(s)
KG Kilogram(s)
L Liter(s)
ML Milliliter(s)
P Plant(s)
DU Dosage Unit(s)

SUBJECT DESCRIPTION CODES

ORGANIZED CRIME SUBJECTS

IF Boss
IG Underboss
IH Consigliere
IJ Acting Boss
IK Capodecina
IL Soldier

KNOWN CRIMINALS

2A Top Ten or I O. Fugitive
2B Top Thief
2C Top Con Man

FOREIGN NATIONALS

3A Legal Alien
3B Illegal Alien
3C Foreign Official W/out
Diplomatic Immunity
3D U.N. Employee W/out
Diplomatic Immunity
3E Foreign Student
3F All Others

TERRORISTS

4A Known Member of a
Terrorist Organization
4B Possible Terrorist Member
or Sympathizer

UNION MEMBERS

5D President
5E Vice-President
5F Treasurer
5G Secretary/Treasurer
5H Executive Board Member
5I Business Agent
5J Representative
5K Organizer
5L Business Manager
5M Financial Secretary
5N Recording Secretary
5P Office Manager
5Q Clerk
5R Shop Steward
5S Member
5T Trustee
5U Other

GOVERNMENT SUBJECTS (6F, 6G, 6H- Include Agency Code)

6A Presidential Appointee
6B U.S. Senator/Staff
6C U.S. Representative/Staff
6D Federal Judge/Magistrate
6E Federal Prosecutor
6F Federal Law Enforcement Officer
6G Federal Employee - GS 13 & Above
6H Federal Employee - GS 12 & Below
6J Governor
6K Lt. Governor
6L State Legislator
6M State Judge/Magistrate
6N State Prosecutor

Continuation of GOVERNMENT SUBJECTS

6S Local Legislator
6T Local Judge/Magistrate
6U Local Prosecutor
6V Local Law Enforcement Officer
6W 6P
State Law Enforcement Officer
6Q State - All Others
6R Mayor Local - All Others
6X County Commissioner
6Y City Councilman

BANK EMPLOYEES

7A Bank Officer
7B Bank Employee

OTHERS

8A All Other Subjects
8B Company or Corporation

CHILD PREDATORS

9A Child Care provider
9B Clergy
9C Athletic Coach
9D Teacher/Aide
9E Law Enforcement Personnel
9F Counselor
9G Relative
9H Stranger
9I Other

Accomplishment Report

Accomplishment must be reported and loaded into ISRAA--
within 30 days from date of accomplishment)

Date Prepared

Date Loaded 10-26-04Data Loader's Initials CS

MM Squad supervisor approval
(please initial)

Accomplishment involves:
(check all that apply)

Drugs ☐

A Fugitive ☐

Bankruptcy Fraud ☐

Computer Fraud/Abuse ☐

Corruption of Public Officials ☐

Money Laundering ☐

Sub Invest Asst by FO (s) ☐

Asst. FO(s) , , ,
A, B, C, D

Task Force

Assisting Agencies x •

1.

2.

File Number
318C-LA-208098

Stat Agent Soc. Sec. No.

Stat Agent Name

RA Squad

Assisting Agents Soc. Sec. No. x

1. - -

Name:

2. - -

Name:

Investigative Assistance or Technique Used							
1-Used, but did not help				3 - Helped, substantially			
2 -Helped, minimally				4 - Absolutely essential			
For Sub. Invest. Assist. by other FO (s) indicate A,B,C,D for corresponding FO							
Rate	FO	IAT	Rate	FO	IAT	Rate	FO
	Fin. Analyst			Lab. Div. Exam			UCO - Group I
	Aircraft Asst.			Lab. Field Sup			UCO - Group II
	Computer			Pen Registers			UCO - Nat. Back
	Consen Mon.			Photo Cover.			NCAVC / VI - CAP
	Elsur / FISC			Polygraph			Crim/NS Intel Asst
	Elsur / T. III			Search Warrant			Crisis Neg. - Fed.
	Eng. Field Spt.			Show Money			Crisis Neg. - Local
	Eng. Tape Ex			SOG Asst.			ERT Asst.
	Legats Asst.			Swat Team			Butte - ITC
	Evid Purchase			Tech. Ag/Equip.			Sav - ITC
	Inf/CW Info			Phone Toll Rec			Poc - IT(OTHER per sealing order

b6

b7C

b7E

P. Subject Information - Required for all blocks excluding block D (Recovery/PELP), blocks E, I, L, and N.

Name	Race •	Sex	Date of Birth	Social Security No. (if available)
<u>IRVING ISRAEL KOTT</u>	<u>W</u>	<u>M</u>	<u>10/12/30</u>	

For Indictments/Convictions only:

- ☐ Subject related to an LCN, Asian Organized Crime (AOC), Italian Organized Crime (IOC), Russian/Eastern European, Caribbean, or Nigerian Organized Crime Group - Complete FD-515a, Side 1 Blocks A-E mandatory, F-H as appropriate.
- ☐ Subject related to an OC/Drug Organization, a VCMO Program National Gang Strategy target group, or a VCMO Program National Priority Initiative target group - Complete FD-515a, Side 1 Blocks A-C only.

x Additional information may be added by attaching another form or a plain sheet of paper for additional entries.

• See codes on reverse side.

✓ Requires that an explanation be attached and loaded into ISRAA for recovery over \$1m and PELP over \$5, disruption, dismantlement, and drug seizures.

Serial No. of FD-515

202

For Further Instructions See: MAOP, Part II, Sections 3-5 thru 3-5.3.

PROPERTY CODES

01 Cash
02 Stocks, Bonds or Negot. Instruments
03 General Retail Merchandise
04 Vehicles
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06 Aircraft
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11 Real Property
20 All Other

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PB Probation
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Negotiable Instruments
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Recordings or Motion Pictures
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Demand Aborted
26 Theft From or Fraud Against
Government Scheme Aborted
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Theft Scheme Aborted
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BATF Bureau of Alcohol, Tobacco & Firearms
BIA Bureau of Indian Affairs
DCAA Defense Contract Audit Agency
DCIS Defense Criminal Investigative Service
DEA Drug Enforcement Administration
DOC Department of Corrections
DOI Dept. of Interior
EPA Environmental Protection Agency
FAA Federal Aviation Administration
FDA Food and Drug Administration
HHS Dept. of Health & Human Services
HUD Dept. of Housing & Urban Development
INS Immigration and Naturalization Service
IRS Internal Revenue Service
NASA Nat'l Aeronautics & Space Admin
NBIS Nat'l NARC Border Interdiction
NCIS Naval Criminal Investigative Service
RCMP Royal Canadian Mounted Police
SBA Small Business Administration
USBP U.S. Border Patrol
USCG U.S. Coast Guard
USCS U.S. Customs Service
USDS U.S. Department of State
USMS U.S. Marshals Service
USPS U.S. Postal Service
USSS U.S. Secret Service
USTR U.S. Treasury
LOC Local
CITY City
COUN County
ST State
OTHR Other

JUDGMENT CODES

CJ Consent Judgment
CO Court Ordered Settlement
DF Default Judgment
DI Dismissal
JN Judgment Notwithstanding
MV Mixed Verdict
SJ Summary Judgment
VD Verdict for Defendant
VP Verdict for Plaintiff

JUDICIAL OUTCOME

AG Agreement
BR Barred/Removed
CC Civil Contempt
DC Disciplinary Charges
FI Fine
PI Preliminary Injunction
PR Temporary Restraining Order
PS Pre-filing Settlement
RN Restitution
SP Suspension
VR Voluntary Resignation
OT Other

DRUG CODES

COC Cocaine
HER Heroin
HSH Hashish
KAT Khat
LSD LSD
MAR Marijuana
MDM Methylenedioxymethamphetamine
MET Methamphetamine
MOR Morphine
OPM Opium
OTD Other drugs

DRUG WEIGHT CODES

GM Gram(s)
KG Kilogram(s)
L Liter(s)
ML Milliliter(s)
P Plant(s)
DU Dosage Unit(s)

SUBJECT DESCRIPTION CODES

ORGANIZED CRIME SUBJECTS

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1G Underboss
1H Consigliere
1J Acting Boss
1K Capodecina
1L Soldier

KNOWN CRIMINALS

2A Top Ten or I.O. Fugitive
2B Top Thief
2C Top Con Man

FOREIGN NATIONALS

3A Legal Alien
3B Illegal Alien
3C Foreign Official W/out
Diplomatic Immunity
3D U.N. Employee W/out
Diplomatic Immunity
3E Foreign Student
3F All Others

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4B Possible Terrorist Member
or Sympathizer

UNION MEMBERS

5D President
5E Vice-President
5F Treasurer
5G Secretary/Treasurer
5H Executive Board Member
5I Business Agent
5J Representative
5K Organizer
5L Business Manager
5M Financial Secretary
5N Recording Secretary
5P Office Manager
5Q Clerk
5R Shop Steward
5S Member
5T Trustee
5U Other

GOVERNMENT SUBJECTS (6F, 6G, 6H- Include Agency Code)

6A Presidential Appointee
6B U.S. Senator/Staff
6C U.S. Representative/Staff
6D Federal Judge/Magistrate
6E Federal Prosecutor
6F Federal Law Enforcement Officer
6G Federal Employee - GS 13 & Above
6H Federal Employee - GS 12 & Below
6J Governor
6K Lt. Governor
6L State Legislator
6M State Judge/Magistrate
6N State Prosecutor

Continuation of GOVERNMENT SUBJECTS

6S Local Legislator
6T Local Judge/Magistrate
6U Local Prosecutor
6V Local Law Enforcement Officer
6W 6P
State Law Enforcement Officer
6Q State - All Others
6R Mayor Local - All Others
6X County Commissioner
6Y City Councilman

BANK EMPLOYEES

7A Bank Officer
7B Bank Employee

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8A All Other Subjects
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9A Child Care provider
9B Clergy
9C Athletic Coach
9D Teacher/Aide
9E Law Enforcement Personnel
9F Counselor
9G Relative
9H Stranger
9I Other

Accomplishment Report

Accomplishment must be reported and loaded into ISRAA --
within 30 days from date of accomplishment)

Date Prepared

Date Loaded

Data Loader's Initials

MM Squad supervisor approval
(please initial)

Accomplishment involves:
(check all that apply)

- Drugs ☐
 A Fugitive ☐
 Bankruptcy Fraud ☐
 Computer Fraud/Abuse ☐
 Corruption of Public Officials ☐
 Money Laundering ☐
 Sub Invest Asst by FO (s) ☐

Asst. FO(s) , , ,
 A, B, C, D

Task Force

Assisting Agencies x •

1.
 2.

File Number
38C-LA-208098

Stat Agent Soc. Sec. No.

Stat Agent Name

RA Squad

Assisting Agents Soc. Sec. No. x

1.

Name:

2.

Name:

Investigative Assistance or Technique Used

- 1-Used, but did not help 3 - Helped, substantially
 2 -Helped, minimally 4 - Absolutely essential
 For Sub. Invest. Assist. by other FO (s) indicate A,B,C,D for corresponding FO

Rate	FO	IAT	Rate	FO	IAT	Rate	FO	IAT	Rate	FO	IAT
		Fin. Analyst			Lab. Div. Exam			UCO - Group I			Ft. Mon.- ITC
		Aircraft Asst.			Lab. Field Sup			UCO - Group II			For. Lang Asst.
		Computer			Pen Registers			UCO - Nat. Back			Non FBI Lab Ex
		Consen Mon.			Photo Cover.			NCAVC / VI - CAP			Vict-Witn Coor
		Elsur / FISC			Polygraph			Crim/NS Intel Asst			IO Wanted Flyer
		Elsur / T. III			Search Warrant			Crisis Neg. - Fed.			SARs
		Eng. Field Spt.			Show Money			Crisis Neg. - Local			CART
		Eng. Tape Ex			SOG Asst.			ERT Asst.			Asset Forf Prog
		Legats Asst.			Swat Team			Butte - ITC			Forf Support Proj
		Evid Purchase			Tech. Ag/Equip.			Sav - ITC			
		Inf/CW Info			Phone Toll Rec			Poc - IT			OTHER per sealing order

b6
 b7C
 b7E

P. Subject Information - Required for all blocks excluding block D (Recovery/PELP), blocks E, I, L, and N.

Name	Race •	Sex	Date of Birth	Social Security No. (if available)
IRVING ISRAEL KOTT	W	M	10/12/30	

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Serial No. of FD-515

203

For Further Instructions See: MAOP, Part II, Sections 3-5 thru 3-5.3.

PROPERTY CODES

01 Cash
02 Stocks, Bonds or Negot. Instruments
03 General Retail Merchandise
04 Vehicles
05 Heavy Machinery & Equipment
06 Aircraft
07 Jewelry
08 Vessels
09 Art, Antiques or Rare Collections
11 Real Property
20 All Other

SENTENCE TYPES

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JS Jail Sentence
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LS Life Sentence
NS No Sentence (Subject is a Fugitive, Insane, has Died, or is a Corporation)
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SJ Suspension of Jail Sentence
YC Youth Correction Act

PELP CODES

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Stocks/Bonds/Currency/
Negotiable Instruments
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Recordings or Motion Pictures
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USTR U.S. Treasury
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COUN County
ST State
OTHR Other

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CO Court Ordered Settlement
DF Default Judgment
DI Dismissal
JN Judgment Notwithstanding
MV Mixed Verdict
SJ Summary Judgment
VD Verdict for Defendant
VP Verdict for Plaintiff

JUDICIAL OUTCOME

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BR Barred/Removed
CC Civil Contempt
DC Disciplinary Charges
FI Fine
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PR Temporary Restraining Order
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RN Restitution
SP Suspension
VR Voluntary Resignation
OT Other

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HER Heroin
HSH Hashish
KAT Khat
LSD LSD
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MOR Morphine
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OTD Other drugs

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GM Gram(s)
KG Kilogram(s)
L Liter(s)
ML Milliliter(s)
P Plant(s)
DU Dosage Unit(s)

SUBJECT DESCRIPTION CODES

ORGANIZED CRIME SUBJECTS

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1G Underboss
1H Consigliere
1J Acting Boss
1K Capodecina
1L Soldier

KNOWN CRIMINALS

2A Top Ten or I.O. Fugitive
2B Top Thief
2C Top Con Man

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3A Legal Alien
3B Illegal Alien
3C Foreign Official W/out
Diplomatic Immunity
3D U.N. Employee W/out
Diplomatic Immunity
3E Foreign Student
3F All Others

TERRORISTS

4A Known Member of a
Terrorist Organization
4B Possible Terrorist Member
or Sympathizer

UNION MEMBERS

5D President
5E Vice-President
5F Treasurer
5G Secretary/Treasurer
5H Executive Board Member
5I Business Agent
5J Representative
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5L Business Manager
5M Financial Secretary
5N Recording Secretary
5P Office Manager
5Q Clerk
5R Shop Steward
5S Member
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GOVERNMENT SUBJECTS (6F, 6G, 6H- Include Agency Code)

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6E Federal Prosecutor
6F Federal Law Enforcement Officer
6G Federal Employee - GS 13 & Above
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6J Governor
6K Lt. Governor
6L State Legislator
6M State Judge/Magistrate
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Continuation of GOVERNMENT SUBJECTS

6S Local Legislator
6T Local Judge/Magistrate
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State Law Enforcement Officer
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7A Bank Officer
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CHILD PREDATORS

9A Child Care provider
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9H Stranger
9I Other

Accomplishment Report

Accomplishment must be reported and loaded into ISRAA--
within 30 days from date of accomplishment)

Date Prepared

Date Loaded 0-26-04Data Loader's Initials CS

MM Supervised supervisor approval
(please initial)

Accomplishment involves:
(check all that apply)

- Drugs ☐
A Fugitive ☐
Bankruptcy Fraud ☐
Computer Fraud/Abuse ☐
Corruption of Public Officials ☐
Money Laundering ☐
Sub Invest Asst by FO (s) ☐

Asst. FO(s) , , ,
A, B, C, D

Task Force

Assisting Agencies x •

1.
2.

File Number

38C-LA-208098

Stat Agent Soc. Sec. No.

Stat Agent Name

RA

Squad

Assisting Agents Soc. Sec. No. x

1. - -

Name:

2. - -

Name:

Investigative Assistance or Technique Used

- 1-Used, but did not help
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For Sub. Invest. Assist. by other FO (s) indicate A,B,C,D for corresponding FO
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Rate	FO	IAT	Rate	FO	IAT	Rate	FO	IAT	Rate	FO	IAT
		Fin. Analyst			Lab. Div. Exam			UCO - Group I			Fl. Mon.- ITC
		Aircraft Asst.			Lab. Field Sup			UCO - Group II			For. Lang Asst.
		Computer			Pen Registers			UCO - Nat. Back			Non FBI Lab Ex
		Consen Mon.			Photo Cover.			NCAVC / VI - CAP			Vict-Witn Coord
		Elsur / FISC			Polygraph			Crim/NS Intel Asst			IO Wanted Flyer
		Elsur / T. III			Search Warrant			Crisis Neg. - Fed.			SARs
		Eng. Field Spt.			Show Money			Crisis Neg. - Local			CART
		Eng. Tape Ex			SOG Asst.			ERT Asst.			Asset Forf Prog
		Legats Asst.			Swat Team			Butte - ITC			Forf Support Proj
		Evid Purchase			Tech. Ag/Equip.			Sav - ITC			
		Inf/CW info			Phone Toll Rec			Poc-IT(OTHER per sealing order			

b6

b7C

b7E

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Name	Race •	Sex	Date of Birth	Social Security No. (if available)
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Serial No. of FD-515

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PCLP CODES

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Recordings or Motion Pictures
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BR Barred/Removed
CC Civil Contempt
DC Disciplinary Charges
FI Fine
PI Preliminary Injunction
PR Temporary Restraining Order
PS Pre-filing Settlement
RN Restitution
SP Suspension
VR Voluntary Resignation
OT Other

DRUG CODES

COC Cocaine
HER Heroin
HSH Hashish
KAT Khat
LSD LSD
MAR Marijuana
MDM Methylenedioxymethamphetamine
MET Methamphetamine
MOR Morphine
OPM Opium
OTD Other drugs

DRUG WEIGHT CODES

GM Gram(s)
KG Kilogram(s)
L Liter(s)
ML Milliliter(s)
P Plant(s)
DU Dosage Unit(s)

SUBJECT DESCRIPTION CODES

ORGANIZED CRIME SUBJECTS

1F Boss
1G Underboss
1H Consigliere
1J Acting Boss
1K Capodecina
1L Soldier

KNOWN CRIMINALS

2A Top Ten or I.O. Fugitive
2B Top Thief
2C Top Con Man

FOREIGN NATIONALS

3A Legal Alien
3B Illegal Alien
3C Foreign Official W/out
Diplomatic Immunity
3D U.N. Employee W/out
Diplomatic Immunity
3E Foreign Student
3F All Others

TERRORISTS

4A Known Member of a
Terrorist Organization
4B Possible Terrorist Member
or Sympathizer

UNION MEMBERS

5D President
5E Vice-President
5F Treasurer
5G Secretary/Treasurer
5H Executive Board Member
5I Business Agent
5J Representative
5K Organizer
5L Business Manager
5M Financial Secretary
5N Recording Secretary
5P Office Manager
5Q Clerk
5R Shop Steward
5S Member
5T Trustee
5U Other

GOVERNMENT SUBJECTS (6F, 6G, 6H- Include Agency Code)

6A Presidential Appointee
6B U.S. Senator/Staff
6C U.S. Representative/Staff
6D Federal Judge/Magistrate
6E Federal Prosecutor
6F Federal Law Enforcement Officer
6G Federal Employee - GS 13 & Above
6H Federal Employee - GS 12 & Below
6J Governor
6K Lt. Governor
6L State Legislator
6M State Judge/Magistrate
6N State Prosecutor

Continuation of GOVERNMENT SUBJECTS

6S Local Legislator
6T Local Judge/Magistrate
6U Local Prosecutor
6V Local Law Enforcement Officer
6W 6P
State Law Enforcement Officer
6Q State - All Others
6R Mayor Local - All Others
6X County Commissioner
6Y City Councilman

BANK EMPLOYEES

7A Bank Officer
7B Bank Employee

OTHERS

8A All Other Subjects
8B Company or Corporation

CHILD PREDATORS

9A Child Care provider
9B Clergy
9C Athletic Coach
9D Teacher/Aide
9E Law Enforcement Personnel
9F Counselor
9G Relative
9H Stranger
9I Other

FINAL DISPOSITION REPORT

Leave Blank

Note: This vital report must be prepared on each individual whose arrest fingerprints have been forwarded to the FBI Criminal Justice Information Services Division without final disposition noted thereon. If no final disposition is available to arresting agency, also obtain subject's right four finger impressions on this form, complete left side and forward the form when case referred to prosecutor and/or courts. Agency on notice as to final disposition should complete this form and submit to: **FBI, CJIS Division, Clarksburg, WV 26306.**

(See instructions on reverse side)

FBI No.		Final Disposition & Date (If convicted or subject pleaded guilty to lesser charge, include this modification with disposition.)	OTHER per sealing order
Name on Fingerprint Card Submitted to FBI Last First Middle <u>KOTT IRVING ISRAEL</u> (CANADIAN CITIZEN)			
Date of Birth <u>10/12/30</u> Sex <u>M</u>			
Henry Fingerprint Classification From FBI 1-B Response			
State Bureau No. (SID)	Social Security No. (SOC)		
Contributor of Fingerprints (Include complete name and location of agency, together with ORI number.)		This form submitted by: (Name, Title, Agency, ORI No., City & State) <u>SPECIAL AGENT, FBI</u> <u>LOS ANGELES, CA.</u> <u>6/25/04</u> Signature Date <u>SPECIAL AGENT</u> Title	
Arrest No. (OCA)	Date Arrested or Received	<input type="checkbox"/> COURT ORDERED EXPUNGEMENT: Return Arrest Fingerprint Card to Contributing Agency	

b6
b7C318C-LA-208098-205
WIS

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 09/13/2004

To: Los Angeles

Attn: Evidence Control Center

From: Los Angeles

Contact: [REDACTED]

b6
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Approved By: [REDACTED]

Drafted By: [REDACTED]

Case ID #: 318C-LA-208098-206

Title: IRVING KOTT, dba
JB OXFORD & COMPANY (JBOC);
JB OXFORD HOLDINGS, INC. (JBOH);
Securities Fraud;

b6
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OTHER per sealing order

Synopsis: Destruction of Evidence

Details: Captioned matter has been adjudicated. [REDACTED]

[REDACTED] Per the attached letter, [REDACTED]
attorney with McDermott Will & Emery, corporate outside
counsel for JBOH and JBOC authorized the Los Angeles office of
the FBI to destroy the documents seized during the 1997 search
of JBOC and JBOH.

The writer destroyed the following 1B items:

<u>1B Number</u>	<u>Barcode Number</u>	<u>Description of Evidence</u>
1) 1B1	E1302540	See attached receipts
2) 1B2	E1302541	
3) 1B3	E1302542	
4) 1B4	E1302543	
5) 1B5	E1302544	
6) 1B6	E1302545	
7) 1B7	E1302546	
8) 1B8	E1302547	
9) 1B9	E1302548	
10) 1B10	E1302549	
11) 1B11	E1302550	
12) 1B12	E1302551	
13) 1B13	E1302552	
14) 1B14	E1302553	

257MTS02.04

318C-LA-208098-206

To: Los Angeles From: Los Angeles
Re: 318C-LA-208098, 09/13/2004

<u>1B Number</u>	<u>Barcode Number</u>	<u>Description of Evidence</u>
15) 1B15	E1302554	See attached receipts
16) 1B16	E1302555	
17) 1B17	E1302556	
18) 1B18	E1302557	
19) 1B19	E1302558	
20) 1B20	E1302559	
21) 1B21	E1302560	
22) 1B22	E1302561	
23) 1B23	E1302562	
24) 1B24	E1302563	

♦♦


McDermott Will & Emery

Boston Brussels Chicago Düsseldorf London Los Angeles Miami Milan
Munich New York Orange County Rome San Diego Silicon Valley Washington, D.C.



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September 9, 2004

Special Agent 
Federal Bureau of Investigation
Suite 1700, FOB
11000 Wilshire Blvd.
Los Angeles, CA 90024-3672

Re: Documents Seized During the 1997 Search of JB Oxford & Co. and JB Oxford Holdings, Inc.

Dear Agent 

This letter confirms that National Clearing Corporation (previously known as JB Oxford & Co.) and JB Oxford Holdings, Inc. (collectively "JB Oxford") have authorized the Federal Bureau of Investigation ("FBI") to destroy the 29 boxes of records seized from JB Oxford during the execution of the 1997 search.

This authorization does not include permission to destroy the stock certificate for shares of JB Oxford Holdings, Inc. seized by the FBI. We are requesting the return of that certificate as soon as possible.

Very truly yours



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b7C

JLS:pd

cc:

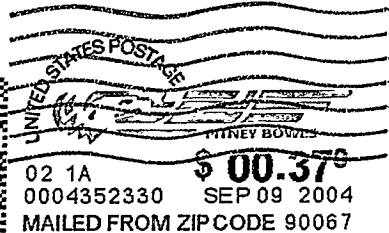
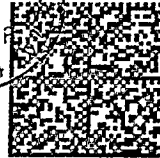
LAS99 1363110-1.053721.0014

 Esq.

318C - LA 20808A

McDermott
Will & Emery

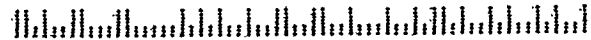
McDermott Will & Emery LLP
2049 Century Park East, Suite 3400
Los Angeles, California 90067-3208



Special Agent
Federal Bureau of Investigation
Suite 1700, FOB
11000 Wilshire Blvd.
Los Angeles, CA 90024-3672

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90024+3672 67



FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 10/07/2004

To: Los Angeles

Attn: Evidence Control Center

From: Los Angeles

Contact: [REDACTED]

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Approved By: [REDACTED] *WJD*

Drafted By: *MA* [REDACTED]

Case ID #: 318C-LA-208098-208

Title: IRVING KOTT, dba
JB OXFORD & Company (JBOC);
JB OXFORD HOLDINGS, INC. (JBOH);
Securities Fraud;

Synopsis: Destruction of Evidence

Details: Captioned matter has been adjudicated. It is requested that the following 1C evidence be destroyed:

<u>1C Number</u>	<u>Description of Evidence</u>
1) 1C1	187 boxes containing photocopies of SEC documents obtained by subpoena and FBI seized documents imaged into the computer.
2) 1C2	SEC Investor questionnaires.
3) 1C3	Documents relating to Metanetix, Arabella and Hariston.
4) 1C4	SEC depositions.
5) 1C5	JBOH SEC filings.
6) 1C6	SEC depositions.
7) 1C8	Copies of Oeri Finance MLAT documents.
8) 1C9	Copies of Oeri Finance MLAT documents.
9) 1C10	Copies of Oeri Finance MLAT documents.

28/MTS 01/04

318C-LA-208098-208

To: Los Angeles From: Los Angeles
Re: 318C-LA-208098, 10/07/2004

<u>1C Number</u>	<u>Description of Evidence</u>
10) 1C11	OISI documents.
11) 1C12	Hariston and JBOH SEC filings.
12) 1C13	Hariston SEC filings.

◆◆

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 10/06/2004

To: Los Angeles

Attn: Evidence Control Center

From: Los Angeles

Contact: [REDACTED]

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b7E

Approved By: [REDACTED] *MLA*

Drafted By: [REDACTED]

Case ID #: 318C-LA-208098-209

Title: IRVING KOTT, dba
JB OXFORD & Company (JBOC);
JB OXFORD HOLDINGS, INC. (JBOH);
Securites Fraud;

Synopsis: Return of Evidence

OTHER per sealing order

Details: Captioned matter has been adjudicated. [REDACTED]

[REDACTED] Per the attached letter, [REDACTED] attorney with McDermott Will & Emery, corporate counsel for JBOC & JBOH authorized writer to destroy the documents seized during the 1997 search of JBOC & JBOH offices. On September 20 2004, writer called [REDACTED] to confirm his instructions to destroy the documents seized in the search. As a result of the discussion, [REDACTED] instructed SA [REDACTED] to return the seized documents to JBOH.

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On September 23, 2004 SA [REDACTED] returned the items listed below to JBOH:

<u>1B Number</u>	<u>Barcode Number</u>	<u>Description of Evidence</u>
1) 1B1	E1302540	See attached receipts
2) 1B2	E1302541	
3) 1B3	E1302542	
4) 1B4	E1302543	
5) 1B5	E1302544	

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318C-LA-208098-209

To: Los Angeles From: Los Angeles
Re: 318C-LA-208098, 10/06/2004

<u>1B Number</u>	<u>Barcode Number</u>	<u>Description of Evidence</u>
6) 1B6	E1302545	See Attached receipts
7) 1B7	E1302546	
8) 1B8	E1302547	
9) 1B9	E1302548	
10) 1B10	E1302549	
11) 1B11	E1302550	
12) 1B12	E1302551	
13) 1B13	E1302552	
14) 1B14	E1302553	
15) 1B15	E1302554	
16) 1B16	E1302555	
17) 1B17	E1302556	
18) 1B18	E1302557	
19) 1B19	E1302558	
20) 1B20	E1302559	
21) 1B21	E1302560	
22) 1B22	E1302561	
23) 1B23	E1302562	
24) 1B24	E1302563	

The FD-192's for the above items have been
inadvertently misplaced.

◆◆

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

File # 3PC-LA-208098On (date) 9/23/04

item(s) listed below were:

- ☐ Received From
☒ Returned To
☐ Released To
☐ Seized

(Name)



GENERAL COUNSEL

b6
b7C

(Street Address)

JB OXFORD HOLDINGS INC (JBOK)

(City)

Description of Item(s): DOCUMENTS SEIZED IN 8/17/97 SEARCH
OF JBOK OFFICES.

BOXES # 1, 3, 4, 5, 6, 7, 8, 9
10, 11, 12, 14, 15, 16, 17
18, 19, 20, 21, 22, 23
24, 28

1 UN-NUMBERED BOX CONTAINING
DOCUMENTS FROM BOXES
13, 25, 26 + 27

2 UN-NUMBERED BOXES
CONTAINING JBOK CORPORATE
MINUTES + RESOLUTIONS

Received By



(Signature)

Executive Assistant

Received From:



(Signature)

3PC-LA-208098

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RAH/mak

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 10/15/2004

To: Los Angeles

Attn: Evidence Control Center

From: Los Angeles

Contact: [REDACTED]

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b7E

Approved By: [REDACTED]

Drafted By: [REDACTED]

Case ID #: 318C-LA-208098-210

Title: IRVING KOTT, dba
JB OXFORD & Company (JBOC);
JB OXFORD HOLDINGS, INC. (JBOH);
Securities Fraud;

Synopsis: Return of Evidence

Details: Captioned matter has been adjudicated. The following items were returned to [REDACTED] Law Offices of Corbin & Fitzgerald, 601 W. 5th St., Suite 1150, Los Angeles, CA 90071:

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<u>1C Number</u>	<u>Description of Evidence</u>
1) 1C14	1 box of Turret Consultant documents.
2) 1C15	1 box of Turret Consultant documents.
3) 1C16	1 box of Turret Consultant documents.
4) 1C17	1 box of Turret Consultant documents.

♦♦

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318C-LA-208098-210

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

File # _____

On (date) 10/19/04

item(s) listed below were:

- ☐ Received From
☒ Returned To
☐ Released To
☐ Seized

(Name) LAW OFFICES OF CORBIN & FITZGERALD,(Street Address) 601 W. 5TH ST, SUITE 1150(City) LOS ANGELES, CA. 90071

Description of Item(s): 4 BOXES OF DOCUMENTS PREVIOUSLY
PROVIDED ON BEHALF OF TURRET CONSULTANTS
INC.

b6
b7CReceived By:

// (Signature) //

Received From:

// (Signature) //

FBI

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 01/03/2005

To: Los Angeles

From: Los Angeles

Approved By:

[Redacted Signature]

b6
b7C

Drafted By:

[Redacted Signature]

Case ID #: 318C-LA-208098

Title: Irving Kott, dba
JB Oxford Holdings Inc.;
JB Oxford & Company;
Securities Fraud;

Synopsis: Late submission of FD-515.

Details: FD-515 for sentencing of subject Irving Kott was entered late due to inadvertence by the case agent.

♦♦

03MIS01.05

318C-LA-208098-211

Los Angeles, California

October 15, 2004

[Redacted]
Brown, Winick, Graves, Gross,
Baskerville and Schoenebaum, P.L.C.
Suite 1100, TWO RUAN CENTER
601 LOCUST STREET,
DES MOINES, IOWA 50309-3765

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Dear Mr. [Redacted]

The attached material obtained from you in connection with an investigative activity of the Federal Bureau of Investigation (FBI) is of no further value to this agency or the Department of Justice. The FBI is prohibited from destroying this material; therefore, it is being returned to you for whatever disposition you deem appropriate.

Very truly yours,

Richard T. Garcia
Special Agent in Charge

By: [Redacted]

Supervisory Special Agent

Encl.

1 - Addressee
1 - File (318C-LA-208098)
(1C7)

Date Sent 10/19/04
Registry/BLNo. RR 434 373 104 US
Employee's Initials RE
Method of Shipment reg. mail
Reimbursable Value (if any) 0

289MJS02.04

318C-LA-208098-212

[Handwritten mark]

[Handwritten mark]

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 05/15/2006

To: Los Angeles

From: Los Angeles

Approved By: [REDACTED]

Drafted By: M [REDACTED]

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b7C

Case ID #: 318C-LA-208098 -215

Title: Irving Kott, dba
JB Oxford & Company (JBOC);
JB Oxford Holdings (JBOH);
Securities Fraud;

Synopsis: Close Case

Details: Captioned matter has been adjudicated. The only items left in evidence is item 1B27, stock certificates that are being kept in the vault. The stock certificates were seized during the 1997 search of JBOH offices. There is a legal dispute over the ownership of the shares. ADC [REDACTED] sent a letter in July 2004 to both parties directing them to initiate legal proceedings through an interpleader action in the CDCA so that they could resolve this dispute properly. In lieu of this, it is requested that this case be closed.

♦♦

SA [redacted] -

We never received a response to this letter.

Can you put this in the case file? If it ever comes up again - that will be the best place to find it - Thanks [redacted]

b6
b7C



U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No. 197-0

11000 Wilshire Boulevard

(310) 996-3335

July 9, 2004

[redacted] Attorney at Law

107 Avenida Miramar, Suite A
San Clemente, California 92672

b6
b7C

[redacted]
McDermott, Will & Emery
2049 Century Park East, Suite 3400
Los Angeles, California 90067

RE: Return of Shares

Dear Messrs. [redacted]

The FBI has been contacted by both of you regarding the return of Intasys shares which now translate into MaMa.com shares. The FBI properly took the shares pursuant to a search warrant executed on the offices of JB Oxford in August 1997.

The FBI has no interest in maintaining this evidence and is willing to return the property to its proper owner. However, you both have claimed a right to these shares. In order to protect the FBI from liability, the property cannot be returned until rightful ownership is determined. This is a matter which may have to be litigated through an interpleader action. You may wish to initiate legal proceedings in the Central District of California so that we may resolve this dispute properly.

If you have any questions, you may contact Associate Division Counsel [redacted] at [redacted]

Sincerely,

b6
b7C

Richard T. Garcia
Assistant Director In Charge

Rv: [redacted]

Chief Division Counsel

EB

196C-LA-208098-577

07/08/99
11:07:31

FD-192

ICMIPR01
Page 1

Title and Character of Case:

KOTT, IRVING
JB OXFORD

Date Property Acquired: 08/19/1997
Source from which Property Acquired:
JB OXFORD
9665 WILSHIRE 3RD FLOOR BLVD
BEVERLY HILLS CA

Anticipated Disposition: Acquired By:

Case Agent:

b6
b7c

Description of Property:

Date Entered

1B 27

① JBOC CERTIFICATE # 2632, 469,540 SHARES
② JBOC WARRANT CERTIFICATE - LEGACY, 92800
③ LEGACY SOFTWARE, CERTIFICATE # 7, 534,351 SHARES
④ INTASYS CORPORATION, IN THE NAME OF EBC TRUST
CERTIFICATE NUMBERS SHARES
175 20,000
176 20,000
177 20,000
178 20,000
179 20,000

EST. VALUE (3 MILLION)

Barcode: E1667675

Location: ECR5

SAFE10

S2

07/08/1999

Sealed By:

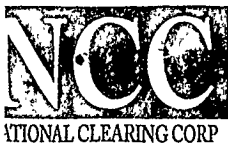
Witnessed By:

Case Number: 196C-LA-208098

Owning Office: LOS ANGELES

Take Co.

196C-LA-208098-1B27



October 12, 2004

Special Agent [redacted]
Federal Bureau of Investigation
Suite 1700, FOB
1100 Wilshire Blvd.
Los Angeles, CA 90024-3672

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b7C

**Re: Stock Certificate Seized During the 1997 Search of JB Oxford & Co.
and JB Oxford Holdings, Inc.**

Dear Agent [redacted]

The purpose of this letter is to request the return of a stock certificate that was seized during the 1997 search. The certificate is number 2632 dated August 14, 1997. The certificate is in the name of JB Oxford & Co. and is for 469,540 shares of stock in JB Oxford Holdings, Inc.

The shares represented by the certificate are the property of National Clearing Corporation (formerly JB Oxford & Company). Because National Clearing owns the shares, I am requesting the return of the subject certificate.

Very truly yours,

Barry S. Fischer
President and Chief Executive Officer
National Clearing Corp.
9665 Wilshire Blvd., Third Floor
Beverly Hills, CA 90212
Telephone: [redacted]
Fax: (310) 385-2236

b6
b7C

cc: [redacted] Esquire

9665 Wilshire Blvd.
Third Floor
Beverly Hills, CA
90212

tel 310.385.2450
fax 310.385.2229

Member NASD/SIPC

JUN 24-04

10:28AM FROM-

-501 P.001/002 F-365

[REDACTED]
Attorney at Law

[REDACTED]
San Clemente, CA 92672

Telephone: [REDACTED]

Facsimile: (949) 496-6753

b6
b7C
b7E

TO: SA [REDACTED]

FAX NO.: 310 996-3359

FROM: [REDACTED]

DATE: June 24, 2004

PAGES: Including Cover Page: 2

TIME: 10:25 a.m.

MESSAGE: Please get back to me. Thanks, [REDACTED]

FBI LOS ANGELES
COMMUNICATIONS UNIT
2004 JUN 24 AM 11:05

This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential or exempt from disclosure under applicable federal or state law. If the reader of this message is not the intended recipient or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify me immediately by telephone and return the original message to the above address via regular U.S. Mail. You will be reimbursed for the mailing costs upon request.

[Redacted]
Attorney at Law
[Redacted]

San Clemente, California 92672

Telephone: [Redacted]

Telecopier: (949) 496-8788

June 24, 2004

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b7C

By Facsimile Transmission and U.S. Mail

Special Agent [Redacted]
Federal Bureau of Investigation
11000 Wilshire Blvd.
Los Angeles, CA 90024

Re: EBC Trust

Dear Special Agent [Redacted]

In our conversation Tuesday you advised that you were referring EBC Trust's request for the return of Legacy and Intasys shares to the Federal Bureau of Investigation ("FBI") legal department for evaluation of this request, and that someone from that department would contact me within a week. You previously had stated that your criminal investigation relating to JB Oxford & Co., which prompted the seizure of EBC Trust's shares almost seven years ago, had concluded.

There is no legal authority supporting the FBI's continued retention of EBC Trust property. It is also imprudent. Because the 100,000 Intasys shares translate into 10,000 shares of MaMa.com, their current market value is in excess of \$100,000.00. Any negative market fluctuations while the FBI continues to hold EBC Trust's shares will render the FBI liable to EBC Trust for those losses. This is a result I'm certain both your agency and my client want to avoid.

Please get back to me at your earliest convenience. It's always a pleasure, Mike, and I hope the summer is going well.

Very truly yours,
[Redacted]

b6
b7C

Cc: [Redacted]

196C-LA-2080 EF-222




RECEIVED

3-31-09

ms CB

Chronology of Events:

JBOH Stock Trades by Irving Kott and Affiliates

Prepared by: SA 

FBI

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3/15/01

Introduction:

During the years of 1993 through 1995, Irving Kott through his nominees obtained a large amount of JBOH shares (several million) and sold the stock through East Coast brokers, Stratton Oakmont (OKOK); Monroe Parker (MOPA); and Biltmore.

Kott obtained the shares through the takeover of RKSI; approximately 800,000 shares and the 8/10/94 Regulation S Offering in which Kott was a 50% investor, which entitled him to 1.6 million shares and warrants. Kott may have also received shares from [REDACTED] and purchased JBOH shares through his Oeri Finance and EBC Trust accounts at Merit.

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The JBOH shares were sold in March, April and June 1995. During this period JBOH stock was not liquid, meaning it had a small volume and low float, which meant the price could be manipulated. This also meant that Kott could not sell the stock on the open market without the price declining.

In March 1995, the clearing firm Adler Coleman went out of business. Adler Coleman cleared for OKOK, MOPA, and Biltmore. As a result of regulatory problems and numerous civil suits and arbitrations the East Coast brokers could not find another clearing firm. Kott through JBOC agreed to clear for the East Coast brokers if they sold Kott's paper. The brokers agreed to Kott's demands. If they hadn't they would have gone out of business. The East Coast brokers were "bucket shops" with a lot of customers. MOPA had the ability to sell one million JBOH shares in two days, which they did.

Kott sold the JBOH shares to the East Coast brokers at market price. The stock price was then manipulated upward by the brokers. The East Coast brokers have all been indicted for securities fraud on other matters. They are cooperating in this matter.

The stock proceeds were transferred to Swiss and other overseas bank accounts.

In July through September 1995, the JBOH stock price declined because the East Coast brokers stopped supporting it.

In late August 1995, Kott through [REDACTED] placed an order to repurchase one million of the JBOH shares sold to MOPA's and OKOK's clients in March, April and June 1995. As a result of the buyback, MOPA's and OKOK's clients lost approximately \$500,000 and \$300,000, respectively. Kott

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repurchased the stock back at one dollar or less and sold the stock through Greenway at or above \$2.50 and made \$1.6 million (Greenway was another Kott controlled East Coast broker). Kott transacted the trades mainly through EBC Trust.

Overall, MOPA's clients in the JBOH trades in March and April 1995 lost approximately \$1 million.

This evidence indicates, among other things, that Kott was a majority shareholder of JBOH stock and dumped several million JBOH shares on unsuspecting American investors through bucket shops in New York that Kott controlled. These investors were not told that Kott was a majority shareholder of JBOH and controlled the company. These investors were also not told about Kott's criminal background. As a majority shareholder, Kott failed to file SEC forms disclosing his trades in JBOH stock. The JBOH stock was also manipulated by the East Coast brokers. Evidence may suggest Kott knew about the manipulation.

Date(s)EventSource

4

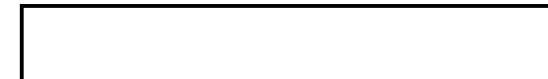
11/93-12/93

Oeri Finance buys 66000 RKS shares at prices ranging from \$1.8 to \$2.031.

Oeri Finance merit account statement.

Nov. 1993

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b7C
b7D

Oeri Finance merit account statement (Nov.93).

Stratton's merit account statement (Nov. 93).

12/93-7/94

Oeri Finance buys \$108,730 RKS shares at prices ranging from \$.50 to \$1.75.

Oeri Finance merit account statement.

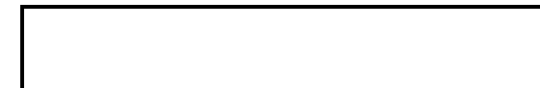
July 1994

The total JBOH shares in Oeri Finance merit account was \$845,510. The JBOH shares were delivered out of Oeri Finance's merit account and received into Oeri Finance's Swiss American account in four transactions. The shares were delivered as follows: July 11-\$49,730; July 25-\$675,000; July 25- \$105,780; July 28- \$15,000.

Oeri Finance merit account statement.



Aug. 1994



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Aug 1994

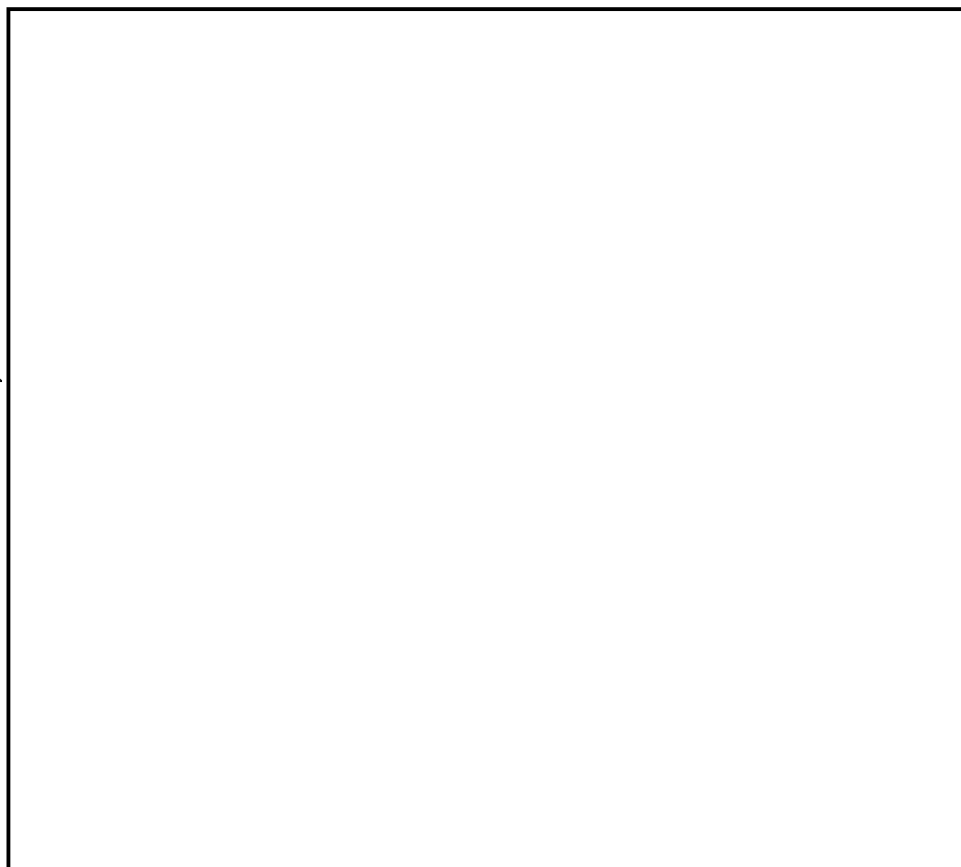


Date(s)

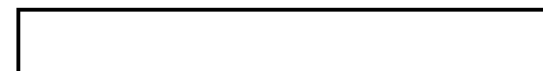
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Aug. 1994



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Date(s)

Event

Source

6

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Sept. 1994

[REDACTED]

SCH 13D relating to the 8/10/94 Regulation S Offering for Oeri Finance acquiring 1,666,665 JBOH shares (includes A & B warrants). This represents ownership of 23.85% of outstanding shares. The source of funds was working capital. Prepared and filed by [REDACTED]

SCH 13D, SEC 000051123-1126, SEC 000051198-1203.

Sept. 1994

SCH 13D relating to the 8/10/94 Regulation S Offering for [REDACTED] acquiring 3,333,333 JBOH shares (includes A & B warrants). This represents the aggregate amount beneficially owned by [REDACTED]. Half of the shares were purchased by Oeri Finance. The SCH. 13D reflects that the personal funds of [REDACTED] were used to purchase the shares. Prepared and filed by [REDACTED]

SCH.13D, SEC 000051205-1210.

1994?

Form 3 discloses [REDACTED] beneficial owner of 555,556 JBOH shares and holder of A & B warrants, entitling Mr. [REDACTED] to purchase an additional 555,556 and 555,556 shares at \$.85 and \$.90 respectively. (Not signed)

OTR 00 0021846-47

March 1995

Personal account at JBOC opened for [REDACTED]. The account was used to hold the JBOH shares from the 8/10/94 Regulation S. Offering.

[REDACTED] JBOC A/S.

The certificate for the initial 555,556 JBOH shares received from the 8/10/94 Regulation S Offering was broken up into 3 smaller certificates in the amounts of 382,973, 100,000 and 72,583. The 382,973 JBOH certificate was delivered to the Oeri finance account. The shares were part of the 675,858 JBOH shares Oeri Finance sold to MOPA on 4/6/95. The remaining two certificates totaling 172,583 were delivered back into the [REDACTED] account.

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Date(s)

Event

Source

7

Jan/Feb 1995

[Redacted Event]

[Redacted Source]

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[Redacted Event]

Feb. 1995

[Redacted Event]

[Redacted Source]

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[Redacted Event]

Date(s)

Event

Source

8

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March 1995

[Redacted Event]

[Redacted Event]

[Redacted Event]

[Redacted Event]

[Redacted Source]

[Redacted Event]

[Redacted Source]

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[Redacted Event]

[Redacted Source]

Date(s)

Event

Source

9

[Redacted Event]

[Redacted Source]

[Redacted Event]

[Redacted Source]

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[Redacted Event]

[Redacted Source]

[Redacted Source]

[Redacted Event]

[Redacted Source]

March 1995

[Redacted Event]

[Redacted Source]

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Date(s)

Event

Source

10

March 1995

March 1995

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b6
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b7D

Date(s)

Event

Source

11



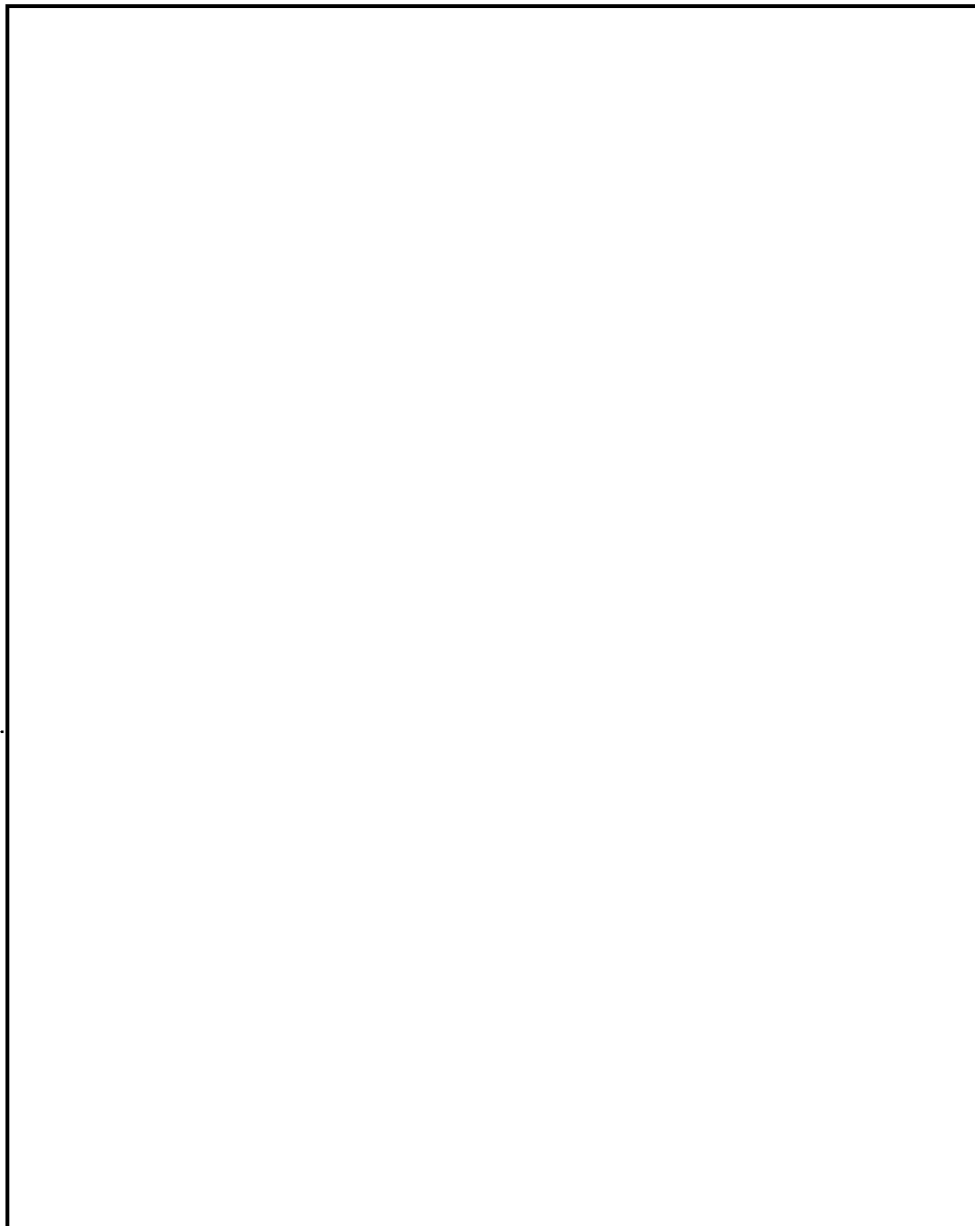
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Date(s)

Event

Source

12



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Date(s)

Event

Source

13

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March 1995

b6
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b7D

Date(s)

Event

Source

14

Feb 1995

Mar. 1995

[REDACTED]

[REDACTED]

On 3/23/95, 739,730 RKS shares were delivered out of Oeri Finance Swiss American account and into Oeri Finance's JBOC account. Part of the 739,730 RKS shares included [REDACTED] shares of 670,780 that were held as collateral for the [REDACTED] to pay down [REDACTED] at Merit.

[REDACTED]

[REDACTED]

Oeri Finance JBOC A/S.

[REDACTED]

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Date(s)

Event

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Feb./Mar. 1995

JBOH trading volume was less than 50,000 shares for most days, often trading for less than \$1 per share. In early March 1995, approximately 10 firms made markets in JBOH stock including Alfred.

NASDAQ audit trail. Tradeline:
historic stock quotes.

In early March 1995, Alfred was at the high bid for JBOH on March 6-13, 1995. (Sitting at high bid means, you're telling other market makers you want to buy the stock)

The NASDAQ audit trail for the following days; 2/10, 2/13, 2/15, 2/17, 2/21, 2/21, 2/24/95, 3/3, 3/6/95 showed trading at the end of the day between Alfred and Merit. Merit traded for the following customers: EBC Trust, Platino Trading Establishment and 141337 Canada.

On 7 of the 8 days in Feb. 1995, Merit and Alfred traded JBOH stock with each other in the last trade of the day. All but one trade moved the market price up from previous trades. (These trades are supporting the market; keeping the price up, in order to make a profit on the sale of the Reg. S. shares)

NASDAQ audit trail.

Two days in early March 1995, Alfred and Merit engaged in the same trading pattern. Nearly all the Merit/Alfred trades in Feb./March 1995 can be traced to trades made by Kott nominees with accounts at Merit. (In essence, Kott

Date(s)

Event

Source

16

created market interest in JBOH stock, creating extra volume.)

On 3/23/95, 35,100 RKS shares delivered from Oeri's Finance Merit account to its account at JBOC. The shares were purchased between 9/94 to 10/94 at prices ranging from \$1.031 to \$1.593.

Oeri Finance Merit A/S.

On 3/24/95, 555,555 RKS shares received into the Oeri Finance JBOC account (original REG S shares).

Oeri Finance JBOC account.

March 1995

SCH 13D amendment #1 relating to the 8/10/94 Regulation S offering for Oeri Finance, prepared and filed by [REDACTED]

JB 017143-146

[REDACTED] The amendment reflects a change in source of funds. Personal funds of individual investors were used. The % of ownership of JBOH shares now listed as zero.

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March 1995

SCH 13D Amendment #1 relating to the 8/10/94 Regulation S offering for [REDACTED] prepared and filed by [REDACTED]

JB 017139-142

[REDACTED] Signed by [REDACTED] The amendment was filed to reflect that the additional units were purchased by Oeri Finance and was erroneously reported in conjunction with [REDACTED] personal acquisition.

March 1995

The total # of JBOH shares in the Oeri Finance Omnibus account at JBOC was as follows:

Received from

Amount of shares

Oeri Finance Swiss American Acct.:

739,730

Oeri Finance Merit Acct.:

35,100

8/10/94 RKS REG S Private Placement Shares:

555,555

Total

1,330,385

3/23/95

1,000,000 JBOH shares sold from the Oeri Finance Omnibus account at \$1.25.

Oeri Finance account statement.

Date(s)

Event

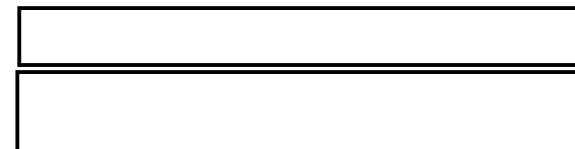
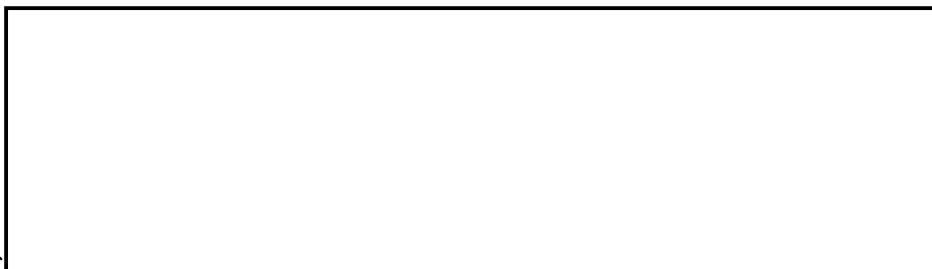
Source

17

JBOC sells 1,000,000 JBOH shares to Monroe Parker at \$1.25 to JBOC.


MOPA chart of JBOH stock trades.

3/23/95



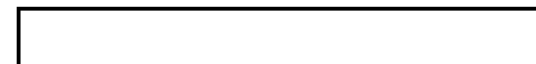
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3/23/95

 JBOH, opinion letter to transfer Agent (OTR Transfer) stating that referenced shares, 555,555 to Oeri Finance are exempt from provisions in Regulation S of the act. (Removal of restriction.)

OTROO 0021838

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Date(s)

Event

Source

18

disguised through a phone call of a legitimate order to other broker dealers.

3/22-23/95

Stratton Oakmont purchases 53,500 JBOH shares from broker dealers such as NAWA, BPAT, MASH, TCNIK JOSE, SEWD, TSCO, and ALFR at prices from \$1.50 to \$2.00.

3/23/95

Stratton Oakmont sells 53,500 JBOH shares to MOPA at \$2.00.

3/23/95

Stratton Oakmont buys another \$25,500 JBOH shares from broker dealers at prices ranging from \$1.875 to \$2.00. Stratton Oakmont sells the shares to MOPA.

3/23-24/95

3/22-23/95

March 1995

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Date(s)

Event

Source

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The JBOH shares were journaled into MOPA's trading account. JBOC sold the stock to MOPA at market price.

NASDAQ Auto Trail.

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The NASDAQ AUTO Trail report showed the trade of 1 million JBOH shares by JBOC to MOPA. The execution time of the trade was 9:49 A.M. on 3/23/95.

The trade was reported at 11:06:06 A.M. JBOC was responsible for reporting the trade. The trade should have been reported within 90 seconds of it occurring. The trade would have been executed by the JBOC trader, who should have reported it.

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Date(s)

Event

Source

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Date(s)

Event

Source

21

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[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

b6
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[Redacted]

[Redacted]

On 3/22/95, during the pre-opening period (before the 9:30 A.M. opening) Alfred, OKOK, Bear Patrick (BPAT) and [Redacted] are the high bid. During the regular trading period OKOK and NAIB are high bid for 4:59:17 and

Market surveillance system high bid analysis report.

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Date(s)

Event

Source

22

4:41:11, respectively. [REDACTED] was the trader at NAIB.

On 3/22/95 the opening price for JBOH was \$1 5/16. The stock was upticked by OKOK through A. G. Edwards (AGED). AGED buys 20,000 shares from Sherwood, who gets 16,500 of these shares from Ragen MacKenzie (RAGN). AGED and RAGN do not regularly trade in JBOH. AGED sells the shares to OKOK on April 12, 1995. The shares RAGN sold were from a client's account, identified as [REDACTED]

[REDACTED]

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RAGN letter to SA [REDACTED] dated 2/1/01.

JBOH Trades prior to the 1 million transaction reported.

<u>Quantity</u>	<u>Price</u>	<u>Buyer</u>	<u>Seller</u>	<u>Report Time</u>	<u>Execution Time</u>
8,250	1 1/4	SHWD	RAGN	9:33:55	9:32:52
8,250	1 1/4	SHWD	RAGN	9:34:55	9:33:34
5,000	1.50	AGED	SHWD	10:28:32	10:28:32
2,000	1 5/8	AGED	NAWE	10:40:23	10:40:00
6,500	1 7/8	AGED	SHWD	10:52:10	10:52:00
2,500	1 15/16	JOSE	ALFRED	10:54:29	10:54:25
6,500	2.00	AGED	SHWD	11:05:19	11:05:12
1,000,000	1.25	MOPA	JBOC	11:06:06	9:49:00
5,000	2 1/16	SHWD	ALFRED	11:09:16	11:09:12

Date(s)

Event

Source

24

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OKOK begins buying in their name at 11:35 A.M. on 3/22/95. OKOK bought 46,500 JBOH shares in 14 trades all under 8,000 shares each from other market makers. OKOK, Alfred, Merit and NAIB participated in the last four trades of the day on 3/22/95 around 4:00 P.M. at prices just under \$2.00. Starting at 3:53 P.M. OKOK led the bid up three times from \$1.63 to a closing market high of \$1.875. Also on 3/22/95 Platino Trading Establishment through Merit sold 10,500 JBOH shares at prices from \$1 7/8 to \$2 1/32 in three trades to Alfred. Alfred participated in 18 trades, in which they buy 24,500 shares and sell 32,800 shares. Alfred was short 8,300 shares at the end of the day. Alfred sold 7,500 shares to OKOK at 1 7/8 in the second to last trade of the day. The last trade on 3/22/95, Alfred buys 3000 shares from Merit at 1 7/8. The trade marked the close.

NASDAQ Audit Trail March 1995

On 3/23/95 Alfred opened the trading day. Alfred helped to establish a higher price by selling 3000 shares to CHAD at \$2 1/8. During the day Alfred sold 37,750 shares to help support the price at or above \$2.00. Alfred sold the shares short throughout the day. The shares Alfred shorted were covered by shares from Kott through an order at Merit for Turret at the end of the day.

NASDAQ Audit Trail March 1995

OKOK buys another 32,900 during the day. In three trades totaling 84,000 shares, OKOK sells them to MOPA at \$2.00. The shares are then sold to MOPA's customers.

NASDAQ Audit Trail March 1995

On 3/23/95 and 3/24/95 MOPA sold 980,600 and 237,200

NASDAQ Audit Trail, March 1995.

Date(s)

Event

Source

25

JBOH shares to its customers.

For the rest of March 1995 after MOPA sold the 1 million JBOH shares, the trading volume in JBOH stock declined.

On 3/28/95, there were only 7 trades the entire day. On 3/29/95, the trading volume totaled 28,700 shares. The price fell below \$2.00 per share.

On 3/31/95 with low volume and no price support from the correspondents, JBOH price dropped to \$1.50.

On 3/23/95 in anticipation of selling blocks of JBOH shares to new correspondents 5 nominee entities with accounts at Merit, including Turret, EBC Trust, Platino and Oeri Finance send Merit virtually identical letters requesting that Merit transfer their security position from Merit to their respective accounts at JBOC. Two of the five nominees opened new accounts at JBOC to receive their shares. They were Turret and Vernon.

NASDAQ audit trail, March 1995.

JBOC Account statements.

4/6/95

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Date(s)

Event

Source

26

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[Redacted]

[Redacted]

The trade of 1 million JBOH shares by JBOC to MOPA was reported by JBOC on April 6, 1995 at 15:57:51.

NASDAQ audit trail for April 1995.

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

Kott stayed at the Four Seasons Hotel when he was in NY.

[Redacted]

4/2-6/95

Kott registered as a guest at the Four Season Hotel in NY.

Guest history profile report Four Seasons Hotel-obtained from SEC.

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4/2-6/95

[Redacted]

[Redacted]

Date(s)

Event

Source

27

b6
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4/11-12/95

On 4/6/95, MOPA buys 1 million JBOH shares from JBOC at \$1.125. Stratton Oakmont buys 80,000 JBOH shares from broker dealers, upticking the stock to over \$2.00 per share. OKOK sells the 80,000 shares to MOPA at \$2.125 per share. MOPA sells the 1 million shares to its clients at \$2.00 plus per share. Monroe Parker realized a profit of \$1,176,162 in the JBOH stock trades.

MOPA chart of JBOH trades.

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3/31/95

330,385 JBOH shares remained in the Oeri Finance JBOC account as of 3/31/95.

Oeri Finance JBOC account statement.

The 1 million JBOH shares sold to Monroe Parker on 4/6/95 came from:

Date(s)

Event

Source

28

-675,858: Oeri Finance
-216,546: Platino Trading
-46,014: EBC Trust
-10,300: Vernon Finance
-43,786: Turrett Consultants
-7,500: 141377 Canada
1,000,000

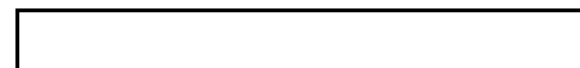
On 4/24/95, 382,973 JBOH shares were delivered into the Oeri Finance account. The shares were part of [redacted] original shares issued pursuant to the 8/10/94 Regulation S offering. The shares were previously in [redacted] personal account.

Oeri Finance JBOC account statement.

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The shares previously in the Oeri Finance account, totaled 330,385. The 713,358 (382,973 and 330,385) JBOH shares were sold in the Oeri Finance account as follows:

<u>Trade Date</u>	<u>Amount</u>	<u>Price</u>
4/6/95	675,858	1.13
4/11/95	2,500	1 11/16
4/12/95	25,000	2 3/16
4/12/95	10,000	2 1/16



b6
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b7D

Date(s)

Event

Source

29

[Redacted]

[Redacted]

b6
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On 4/12 and 4/13/95 MOPA sold 450,100 and 513,600 JBOH shares to their customers.

NASDAQ Audit Trail, March 1995.

[Redacted]

[Redacted]

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[Redacted]

[Redacted]

b6
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b7D

[Redacted]

[Redacted]

Date(s)EventSource

30

stock price to go down.

4/19/95

[redacted] JBOH opinion letter to Transfer Agent (OTR transfer) stating that referenced shares (382,973); (100,000); (72,583) registered in the name of [redacted] are exempt from registration pursuant to the provisions set out in Regulation S of the act.

OTR 00 0021718

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Removal of restriction and issue 3 new stock certificates.

3/23/95



[redacted]
JBOH letter to [redacted] of MOFA dated 3/23/95. Bates #JB 029172.

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3/30/95

\$615,000 wire transfer from Oeri Finance to Bank Leu (proceeds of JBOH stock trade).

Oeri Finance JBOC A/S.

3/31/95

\$85,000 wire transfer from Oeri Finance to Bank Leu (proceeds of JBOH stock trade).

4/19/95

\$50,000 wire sent from Oeri Finance acct. (proceeds of JBOH stock trade).

4/26/95

27,800 JBOH shares delivered out of [redacted] JBOC account and delivered to Oeri Finance merit acct. The shares were used to cover JBOH stock trades on 4/20-21/95. Also, on same date, 48,500 JBOH shares delivered out of the [redacted] JBOC acct. (delivery unknown). The JBOH shares were 8/10/94 REG. S shares. The sale proceeds were used to buy Hariston and Aquagenix stock.

[redacted] JBOC account statement.

Oeri Finance merit account statement.

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b7C

4/28/95

\$50,000 wire sent from Oeri Finance account.

Oeri Finance JBOC A/S.

Date(s)EventSource

31

5/3/95

Wire transfers of \$307,000, \$360,000 and \$150,000 from the Oeri Finance account (proceeds from JBOH stock trades).

Oeri Finance JBOC A/S.

5/9/95

\$480,000 wire sent from the Oeri Finance account (proceeds from JBOH stock trades).

June 1995

During the month, 2,160,000 JBOH shares were sold to Stratton Oakmont and Biltmore. The JBOH shares were mainly the A&B warrants from the 8/10/94 Regulation S offering. The breakdown was as follows:

JBOH
June 1995 Trades

<u>Trade Date</u>	<u>Seller</u>	<u>Buyer</u>	<u>Price</u>	<u>JBOH Shares</u>
6/12/95	Oeri Finance	Stratton Oakmont	\$1.50	500,000
6/16/95	" "	MOPA	" "	250,000
6/16/95	" "	Biltmore	" "	250,000
6/22/95	[REDACTED]	Stratton Oakmont	" "	470,000
6/22/95	[REDACTED]	" "	" "	440,000
6/26/95	[REDACTED]	" "	" "	250,000

The correspondents traded some of the JBOH shares amongst themselves and sold the stock to their clients. The correspondents realized a profit as follows: OKOK - \$497,110, MOPA-\$268,528, BILT - \$7,041. The trades among the broker dealers was as follows:

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JBOH Stock Trades

<u>Trade Date</u>	<u>Buyer</u>	<u>Seller</u>	<u>Price</u>	<u>Quantity</u>
6/12/95	OKOK	JBOC	1.50	500,000
6/16/95	OKOK	BLTM	1.50	250,000
6/22/95	OKOK	JBOC	1.50	910,000
6/22/95	MOFA	OKOK	1.50	250,000
6/22/95	BLTM	OKOK	1.50	250,000
6/26/95	OKOK	JBOC	1.50	250,000
6/26/95	BLTM	OKOK	1.50	125,000
6/26/95	MOFA	OKOK	1.50	125,000
6/16/95	BLTM	JBOC	1.50	250,000
6/16/95	OKOK	BLTM	1.50	250,000
6/22/95	BLTM	OKOK	1.50	250,000
6/26/95	BLTM	OKOK	1.50	125,000
6/16/95	MOFA	JBOC	1.50	250,000
6/22/95	MOFA	OKOK	1.50	250,000
6/26/95	MOFA	OKOK	1.50	125,000

Date(s)

Event

Source

34

May/June 1995

[Redacted Event]

[Redacted Source]

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[Redacted Event]

[Redacted Source]

[Redacted Event]

[Redacted Source]

[Redacted Event]

[Redacted Source]

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[Redacted Event]

[Redacted Source]

CZECH Industries IPO
Kott Nominee Trades

<u>Buyer</u>	<u>Purchase Price</u>	<u>Selling Price</u>	<u>Shares</u>
Oeri Finance	7.00	12.00	45,750
EBC Trust	" "	" "	40,500
Titano	" "	" "	40,500
Hariston	" "	" "	10,000

Date(s)

Event

Source

36

b6
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June 1995

[Redacted Event]

[Redacted Event]

[Redacted Source]

[Redacted Event]

[Redacted Source]

b6
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[Redacted Event]

Date(s)

Event

Source

37

[Redacted Event]

[Redacted Source]

[Redacted Event]

[Redacted Source]

b6
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b7D

JBOC
June 1995 JBOH Stock Trades

<u>Trade Date</u>	<u>Quantity</u>	<u>Seller</u>	<u>Buyer</u>	<u>Price</u>	<u>Comments</u>
6/12/95	500,000	*Oeri Finance	OKOK	1.50	
6/16/95	250,000	*Oeri Finance	MOPA	1.50	
6/16/95	250,000	*Oeri Finance	BILTMORE	1.50	Shares sold to OKOK
6/22/95	470,000	[REDACTED] (Kott)	OKOK	1.50	250,000 shares each sold to MOPA & BILTMORE
6/22/95	440,000	[REDACTED]	OKOK	1.50	250, 000 shares each sold to MOPA & BILTMORE
6/26/95	250,000	[REDACTED] (Kott)	OKOK	1.50	125,000 shares each sold to MOPA & BILTMORE
	<u>2,160,000</u>				

* = Shares obtained through the exercise of the A & B warrants (Reg. S. Offering)

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b7D

Date(s)

Event

Source

39

The 2,160,000 JBOH shares were sold to the correspondent's customers.

NASDAQ Audit Trail, June 1995.



b6
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b7D

6/12/95

Oeri Finance Omnibus account.- 500,000 JBOH shares (555,555 -A warrants) sold to Stratton Oakmont at \$1.50. Oeri Finance's account credited \$750,000. The accumulated cash balance in the account was \$1,054,639.

JBOC A/S for Oeri Finance.

6/16/95

\$320,250 transferred from the Oeri Finance account at Stratton Oakmont. Oeri Finance used the funds to buy 45,750 shares of an IPO for Czech Industries at \$7.00 per share. On same date the shares were sold for \$12.00 per share. \$545,990 then transferred back to Oeri Finance's account at JBOC.

Oeri Finance's 555,555 JBOH A warrants exercised at \$.85. The exercise cost of \$472,221 debited in the account. The accumulated cash balance was \$831,142.97.

6/20/95

Legal opinion fee of \$3,500 debited to the account [redacted] Esq.).

555,555 JBOH "A" warrants received into Oeri Finance's account. (The 555,555 JBOH shares covered the sale of 500,000 JBOH shares to OKOK on 6/15/95.)

Oeri Finance JBOC A/S; [redacted]
[redacted] JBOC A/S

b6
b7C

Oeri Finance's 555,555 JBOH B warrants exercised at \$.90. The exercise cost of \$499,999.50 debited in the account. The accumulated cash balance was \$327,643.

6/16/95

Oeri Finance sold 250,000 JBOH shares to BILTMORE at \$1.50. \$375,000 sale proceeds credited to the account.

Oeri Finance JBOC A/S; [redacted]
[redacted] BOC A/S

<u>Date(s)</u>	<u>Event</u>	<u>Source</u>	40
6/16/95	Oeri Finance sold 250,000 JBOH shares to MOPA at \$1.50. \$374,930 sale proceeds credited to the account. The accumulated cash balance in the account was \$1,077,573.	Oeri Finance JBOC A/S; [redacted] [redacted] JBOC A/S	
	555,555 JBOH B warrants received into the Oeri Finance account. The shares covered the 500,000 JBOH shares sold to OKOK on same date.		b6 b7C
	Oeri Finance transfers \$472,221.75 and \$3,500.85 to [redacted] account. The funds used to exercise [redacted] 555,556 JBOH A warrants at \$.85. - A legal opinion fee of \$3,500 was debited to the [redacted] account [redacted] Esq.).		
6/23/95	Oeri Finance transfers \$500,000.40 to [redacted] account. The funds used to exercise [redacted] 555,556 JBOH B warrants at \$.90. The accumulated cash balance in the Oeri Finance account was \$101,850.	Oeri Finance JBOC A/S; [redacted] [redacted] JBOC A/S	
6/23/95	455,556 JBOH shares received into [redacted] account.	Oeri Finance JBOC A/S; [redacted] [redacted] JBOC A/S	
6/26/95	30,000 JBOH shares sold in the Oeri Finance account at \$1 5/8.	Oeri Finance JBOC A/S; [redacted] [redacted] JBOC A/S	b6 b7C
6/26/95	100,000 JBOH shares received into [redacted] account.	Oeri Finance JBOC A/S; [redacted] [redacted] JBOC A/S	
6/22/95	470,000 JBOH shares in the [redacted] account sold to Stratton Oakmont at \$1.50. The sale proceeds of \$705,000 credited to the account.	Oeri Finance JBOC A/S; [redacted] [redacted] JBOC A/S	
6/22/95	440,000 JBOH shares in the [redacted] JBOC account sold to OKOK at \$1.50. 400,000 of [redacted] JBOH shares were purchased from [redacted] In March 1994 [redacted] wrote a \$415,000 check payable to [redacted] [redacted] The check represented payment for the 332,000 JBOH shares [redacted] purchased from [redacted]	JBOC A/S for [redacted]	

Date(s)EventSource

41

[redacted] for the shares.) Total proceeds from the sale was \$660,000. 360,000 of the proceeds was deposited into [redacted] account. On 6/28/95, [redacted] uses \$226,687.50 in the Bank of California account for a loan payment. On 6/27/95, \$200,000 is transferred from [redacted] JBOC account to Oeri Finance's JBOC account. On that same day, \$250,000 from Oeri Finance JBOC account is transferred to Hariston per LOA. On 6/27/95, [redacted] pays down a \$100,000 loan to JBOC with proceeds from his JBOC account.

b6
b7C

6/28/95

\$200,000 is transferred from the [redacted] account to the Oeri Finance account.

JBOC A/S for [redacted] Oeri Finance

Oeri Finance wire transfers \$240,000 out of account.

6/26/95

250,000 JBOH shares in the [redacted] account sold to OKOK at \$1.50. Sale proceeds of \$375,000 credited to the account. The accumulated cash balance in the account was \$882,351.

b6
b7C

6/30/95

75,000 JBOH shares delivered from Oeri Finance JBOC account to their Merit account to cover JBOH stock that was previously sold. The JBOH shares were the 8/10/94 Reg. S warrants.

7/19/95

\$882,351 in the [redacted] account transferred to the Oeri Finance account. The remaining 485,395 JBOH shares transferred to the Oeri Finance account. The account is closed. The accumulated cash balance in the Oeri Finance account was \$973,872.

JBOC A/S for [redacted]

\$525,000 wire transferred out of the Oeri Finance account.

7/27/95

\$360,000 in the Oeri Finance JBOC account transferred to the Oeri Finance Biltmore account. The funds were used to purchase 90,000 shares of an IPO for CSI Computer at

Date(s)EventSource

42

\$4.00. On same day the shares were sold at \$6.00 per share. The sale proceeds of \$539,985 then transferred back to the Oeri Finance account at JBOC.

\$358,354 in the Oeri Finance account wired transferred out.

8/3/95

\$285,000 wire transferred out of the Oeri Finance account. The accumulated cash balance was \$74,851.

6/8/95

[redacted] representation letter to JBOH stating that Oeri Finance is not the beneficial owner of any A or B warrants of JBOH acquired pursuant to a Regulation S offering. Oeri Finance acquired the warrants as the nominee for its customers.

[redacted] Representation letter.

b6
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6/1/95

[redacted] fax to [redacted] (on Oeri Finance letterhead) informing him that he wants to exercise 555,555 "A" warrants of JBOH.

[redacted] Fax to [redacted]

7/21/95

SCH 13D Amendment #2, for the 8/10/94 Reg. S offering to [redacted] prepared and filed by [redacted]. The amendment disclosed that [redacted] exercised his "A" warrants for cash consideration \$472,222.60 on June 22, 1995. Upon exercise, [redacted] received 555,556 shares of common stock on 6/26/95. [redacted] exercised his "B" warrants for cash consideration of \$500,000.40 and received an additional 555,556 shares of common stock. On June 22, 1995 [redacted] sold 470,000 shares in the public market and on June 26, 1995 [redacted] sold an additional 250,000 shares in the public market.

SCH 13D Amendment #2.

The company advised [redacted] as of July 1, 1995, 8,655,272 shares of common stock were outstanding. As of that date [redacted] beneficially owned 946,668 of JBOH shares or 10.93% of the outstanding shares of the company.

b6
b7C

Date(s)

Event

Source

43

[Redacted Event]

[Redacted Source]

b6
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[Redacted Event]

[Redacted Source]

b6
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b7D

[Redacted Event]

Date(s)

Event

Source

44

[Redacted]

[Redacted]

[Redacted]

June-Sept.
1995

During the month of June 1995, the price of JBOH stock reached a high of \$1.96. In the month following July-Sept 1995, JBOH stock price dropped to \$1.00 per share.

NASDAQ stk price history Rpt-JBOH.

[Redacted]

In September 1995, Kott related entities: Oeri Finance, EBC Trust and Vernon Finance purchased 898,000 JBOH shares from Stratton Oakmont and Monroe Parker at \$1.00 or less per share. The correspondents (OKOK & MOPA) purchased the shares back from their customers.

These were the same shares MOPA and OKOK purchased from JBOC in March, April, and June 1995 at prices ranging from \$1.12, \$1.25 and \$1.50 respectively. The broker dealers sold the shares to their customers at prices ranging from \$1.60 to over \$2.00 per share. The 2 million JBOH shares MOPA sold to their clients in March and April 1995 were over \$2.00 per share. JBOC obtained the shares from Kott related entities. The shares were

[Redacted]

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Date(s)

Event

Source

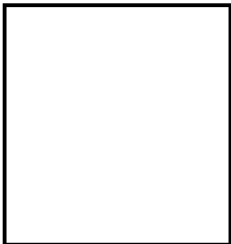
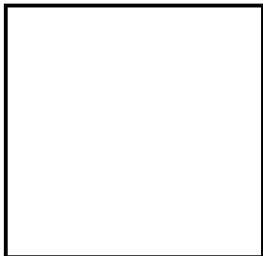
45

mainly the 8/10/94 Reg. S offering, and [redacted]
and [redacted] JBOH shares
respectively. The shares were resold to Kott (recycled)
at a lower price. Kott later resold the JBOH shares to
[redacted] and [redacted] for over \$3.00 per share.
[redacted] put out a buy recommendation on the stock. EBC
Trust made approx \$1.6 million on the recycled JBOH
stock.

As a result of the buy back, MOPA's and OKOK's clients
lost approximately \$500,000 and \$300,000 respectively.
Overall, MOPA's clients in the JBOH Trades in March and
April 1995 lost approximately \$1 million.

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b7c

MOPA's Inventory Account: JBOH Stock Trades

<u>Trade Date</u>	<u>Transact.</u>	<u>Customer Name</u>	<u>Quantity</u> Buy (Sell)	<u>Price</u>	JBOH Shares: <u>Running</u> <u>Balance</u>	<u>Comments/Client's</u> <u>Profit/(Loss)</u>
8/29/95	N/A	N/A	N/A	N/A	22,270	N/A
8/30/95	S	OKOK	(165,000)	1.0468	(142,730)	On same date OKOK sells JBOC 170,000 shares.
8/30/95	S		(500)	1.0312	(143,230)	N/A
8/30/95	S		(500)	1.0312	(143,730)	N/A
8/30/95	B		7000	1.00	(136,730)	(4,842)
8/30/95	B		93,700	1.00	(43,030)	(70,305)
8/31/95	S	OKOK	(147,000)	1.00	(190,030)	On 9/1/95, OKOK sells JBOC 100,000 shares.
8/31/95	B		175,000	1.00	(15,030)	(164,087)
9/5/95	B		20,500	1.00	5,470	(16,127)
9/5/95	B		20,000	1.00	25,470	(28,165)
9/5/95	B		39,950	.875	65,420	(46,771)
9/5/95	S		OKOK	(70,000)	.875	(4,580)

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<u>Trade Date</u>	<u>Transact.</u>	<u>Customer Name</u>	<u>Quantity</u> Buy (Sell)	<u>Price</u>	JBOH Shares: <u>Running</u> <u>Balance</u>	<u>Comments/Client's</u> <u>Profit/(Loss)</u>
9/6/95	S		(10,000)	.9687	(14,500)	N/A
9/6/95	S	OKOK	(30,000)	.875	(44,580)	On same date OKOK sells JBOC 300,000 shares. OKOK buys 240,000 shares from Selbre Assoc. who sustain a \$261,280 loss.
9/7/95	B		1,000	1.1875	(43,500)	(468)
9/12/95	B		21,000	1.0625	(22,500)	(24,306)
9/12/95	B		106,000	1.0625	83,420	(46,405)
9/12/95	S	JBOC	(250,000)	1.00	(166,580)	
9/12/95	B		60,000	1.125	(106,580)	(41,540)
9/12/95	B		6,000	1.1875	(100,580)	(5,952)
9/13/95	B		25,000	1.1875	(75,580)	(7,061)
9/13/95	B		23,000	1.1875	(53,580)	(7,936)
9/13/95	B		1,700	1.25	(50,880)	(1,406)
9/13/95	B		23,500	1.25	(27,380)	(6,639)
9/13/95	B		25,000	1.1875	2,380	(15,134)
9/13/95	B		14,000	1.1875	11,620	(12,275)

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JBOC Inventory Account: JBOH Trades

<u>Trade Date</u>	<u>Transact.</u>	<u>Customer Name</u>	<u>Quantity</u>	<u>Price</u>	<u>Comments</u>
8/30/95	B	OKOK	170,000	1.00	On same date, OKOK buys 165,000 shares from MOPA.
8/30/95	S	EBC Trust (Merit acct.)	(170,000)	1.00	
9/1/95	B	OKOK	100,000	1.00	On 8/31/95, OKOK buys 147,000 shares from MOPA.
9/1/95	S	Oeri Finance	(78,000)	1.00	
9/1/95	S		(15,000)	1.00	
9/1/95	S		(7,000)	1.00	
9/5/95	B	OKOK	100,000	.875	On same date, OKOK buys 70,000 shares from MOPA.
9/5/95	S	Vernon Finance	(100,000)	.875	On 10/17/95, 100,000 shares sold to GWAY, at \$2.71 for a profit of \$177,835. Sale proceeds of \$265,718 wired out on 11/14/95.
9/6/95	B	OKOK	300,000	.875	On same date, OKOK buys 240,000 shares from Selbre Assoc. (client) and 30,000 shares from MOPA.
9/6/95	S	EBC Trust	(300,000)	.875	
9/12/95	B	MOPA	250,000	1.00	
9/12/95	S	EBC Trust	(250,000)	1.00	

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EBC Trust; Oeri Finance and Vernon Finance JBOH Trades to [REDACTED] and [REDACTED]

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<u>Trade Date</u>	<u>Quantity</u>	<u>Price</u>	<u>Seller</u>	<u>Buyer</u>
10/13/95	100,000	2.75	EBC	GNWY
10/13/95	100,000	2.875	EBC	GNWY
10/13/95	150,000	2.9375	EBC	GNWY
10/13/95	100,000	2.75	Oeri Finance	GNWY
10/13/95	50,000	2.7187	EBC	JHDN
10/13/95	100,000	2.7187	Vernon Finance	JHDN
10/24/95	50,000	3.00	EBC	JHDN
10/31/95	250,000	3.375	EBC	GNWY

Analysis of MOPA clients JBOH trades in which shares recycled to Kott affiliated companies.

<u>Customer Name</u>	<u>Account Number</u>	<u>Trade Date</u>	<u>Transact</u>	<u>Quantity</u>	<u>Price</u>	<u>Cost Profit (Loss)</u>	<u>Comments</u>
[REDACTED]	100313361	6/21/95	B	7,000	1.6875	11,827	Reg. S warrants
		8/30/95	S	(7,000)	1.00	(6,985)	
						(4,842)	
[REDACTED]	100308601	6/30/95	B	93,700	1.75	163.990	Reg. S warrants
	b6 b7C	8/30/95	S	(93,700)	1.00	(93,685)	
						(70,305)	
[REDACTED]	523787811	4/17/95	B	175,000	1.9375	339,072	
		8/31/95	S	(175,000)	1.00	(174,985)	
						(164,087)	
[REDACTED]	369442331	3/23/95	B	4,500	2.0312	9,150	
		4/21/95	B	10,000	1.6562	16,572	
		6/21/95	B	6,000	1.8125	10,890	
		9/5/95	S	(20,500)	1.00	(20,485)	
						(16,127)	

<u>Customer Name</u>	<u>Account Number</u>	<u>Trade Date</u>	<u>Transact</u>	<u>Quantity</u>	<u>Price</u>	<u>Cost Profit (Loss)</u>	<u>Comments</u>
[REDACTED]	100297101	3/23/95	B	30,000	2.00	60,010	
		8/14/95	S	(10,000)	1.1875	(11,860)	
		9/5/95	S	(20,000)	1.00	(19,985)	
[REDACTED]	369440061					(28,165)	
		3/23/95	B	40,700	2.0312	82,681	
		7/12/95	S	(750)	1.3125	(969)	
[REDACTED]	344901641	9/5/95	S	(39,950)	.875	(34,941)	b6 b7C
						(46,771)	
		7/5/95	B	1,000	1.625	1,640	
[REDACTED]	509172681	9/7/95	S	(1,000)	1.1875	(1,172)	
						(468)	
		4/12/95	B	21,000	2.2187	46,603	
[REDACTED]	509172681	9/12/95	S	(21,000)	1.0625	(22,297)	
						(24,306)	

<u>Customer Name</u>	<u>Account Number</u>	<u>Trade Date</u>	<u>Transact</u>	<u>Quantity</u>	<u>Price</u>	<u>Cost Profit (Loss)</u>	<u>Comments</u>
	676641211	8/3/95	B	106,000	1.50	159,015	Recycled shares from MOPA customers
		9/12/95	S	(106,000)	1.0625	(112,610)	
						(46,405)	
	369440541	4/12/95	B	28,000	2.25	63,010	
		7/17/95	B	32,000	1.4375	46,015	
		9/12/95	S	(60,000)	1.125	(67,485)	
						(41,540)	
Office Consultants	218849561	6/22/95	B	6,000	1.9025	11,430	
		9/12/95	S	(6,000)	1.1875	(7,110)	
						(5,952)	
	102086361	7/25/95	B	23,000	1.5312	35,233	
		9/13/95	S	(23,000)	1.1875	(27,297)	
						(7,936)	
	393879771	3/23/95	B	1,700	2.0625	3,516	
		9/13/95	S	(1,700)	1.25	(2,110)	
						(1,406)	

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<u>Customer Name</u>	<u>Account Number</u>	<u>Trade Date</u>	<u>Transact</u>	<u>Quantity</u>	<u>Price</u>	<u>Cost Profit (Loss)</u>	<u>Comments</u>
[REDACTED]	676622211	7/31/95	B	23,500	1.5312	35,999	
		9/13/95	S	(23,500)	1.25	(29,360)	
						(6,639)	
[REDACTED]	100318261	3/23/95	B	13,000	2.0312	26,416	
		7/24/95	B	12,000	1.5312	18,390	
		9/13/95	S	(25,000)	1.1875	(29,672)	
						(15,134)	
[REDACTED]	100310771	3/23/95	B	14,000	2.0625	28,885	
		9/13/95	S	(14,000)	1.1875	(16,610)	
						(12,275)	

b6
b7C

Loss due to Kott's buy back: \$492,358

Analysis of OKOK clients JBOH Trades in which shares recycled to Kott affiliated companies

<u>Customer Name</u>	<u>Account Number</u>	<u>Trade Date</u>	<u>Transaction</u>	<u>Quantity</u> <u>Buy (Sell)</u>	<u>Price</u>	<u>Cost</u> <u>Profit (Loss)</u>
[REDACTED]	824464151	6/22/95	B	20,000	1.9375	
		9/5/95	S	(20,000)	.875	(20,000)
[REDACTED]	726027361	8/3/95	B	17,000	1.4875	
		9/5/95	S	(17,000)	.875	(10,432)
[REDACTED]	822263191	8/18/95	B	10,000	1.375	
		9/5/95	S	(10,000)	.875	(5,018)
[REDACTED]	827241721	6/23/95	B	30,000	1.875	
		6/23/95	B	220,000	1.9375	
		8/24/95	S	(10,000)	1.125	
		9/6/95	S	(240,000)	.875	(261,200)

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b7C

Loss due to Kott's buy back: (297,998.000)

The following is a chart of the JBOH stock transactions in the EBC Trust account.

<u>Date</u>	<u>Transaction</u> <u>Buy/Sell <></u>	<u>Broker</u> <u>Dealer</u>	<u>JBOH</u> <u>Shares</u> <u>Running</u> <u>Balances</u>	<u>Price</u>	<u>Cost \$</u>	<u>Profit</u> <u>(loss) \$</u>
8/30/95	170,000	OKOK	170,000	1.00	170,892.50	(170,892)
9/6/95	300,000	OKOK	470,000	.875	275,707	(446,599)
9/12/95	250,000	MOPA	720,000	1.00	263,863	(710,463)
9/26/95	<30,000>	Yorkshire	690,000	1.50	44,980	(665,483)
9/28/95	13,400		703,400	R	N/A	(665,483)
10/18/95	(50,000)	JHDN	653,400	2 23/32	132,576.96	(532,906.17)
10/18/95	(100,000)	GWAY	553,400	2 3/4	268,665.80	(264,240.37)
10/18/95	(100,000)	GWAY	453,400	2 7/8	281,103.70	16,863
10/18/95	(150,000)	GWAY	303,400	2 15/16	430,983.97	447,847.30
10/18/95	66,400	Merit	369,800	R	N/A	447,847.30
10/27/95	29,500	Merit	399,300	R	N/A	447,847.30
10/27/95	(50,000)	JHDN	349,300	3.00	146,569.60	594,416.90
10/30/95	(28,500)		320,800	3 1/8	87,002.95	681,419.85
10/31/95	40,000		360,800	3 1/8	127,809.40	553,610.45
10/31/95	<11,000>		349,800	3 7/32	34,493.22	588,103.67
11/1/95	(51,400)		298,400	3.026	152,199.59	740,303.26

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11/3/95	(38,800)	GWAY	259,600	3.35	127,205.47	867,508.73
11/3/95	6,000		265,600	3 3/8	20,270	847,238.73
11/3/95	(250,000)		15,600	3 3/8	826,937.05	<u>1,674,175.38</u>
11/3/95	100,000		115,600	3 3/8	344,345.90	1,329,829.88
11/6/95	(28,400)		87,200	3.596	100,208.11	1,430,037.99
11/6/95	(18,600)		68,600	3.45	62,725.95	1,492,763.94
11/7/95	15,000		83,600	3.50	53,707.22	1,439,056.72
11/7/95	25,000		108,600	3 5/8	92,518.43	1,346,538.29
11/8/95	(4,100)		104,500	3.64	14,517.55	1,361,055.84
11/9/95	(17,000)		87,500	3.6617	60,893.88	1,421,949.72
11/13/95	2,800		90,300	3. 31/32	10543.20	1,411,406.52
11/13/95	(45,000)		45,300	3.50	157,480	1,568,886.52
11/14/95	(65,000)		(19,700)	3.50	219,941.32	1,788,827.84
11/17/95	1,700		(18,000)	3.50	6153.13	1,782,674.71
11/20/95	10,000		(8,000)	R		
11/24/95	10,000	2,000	3 1/8	32,103.25	1,750,571.46	
	(17,000)	(15,000)	2 15/16	48,643.65	1,799,215.11	

<u>Date</u>	<u>Event</u>	<u>Source</u>
09/95	The funds used in the EBC Trust account to purchase 170,000, 300,000 and 250,000 JBOH shares on 8/30/95, 9/6/95, and 9/12/95 at \$1.00, \$.875 and \$1.00, respectively were from the sale proceeds of Smartel and Hariston stock.	EBC Trust, JBOC and Merit A/S.
11/11/95	\$2,170,000 was wired out of the EBC Trust account at JBOC. The funds were the result of sale proceeds of JBOH stock and MOPA and OKOK IPO's.	
	During the period of September through December 1995, EBC Trust and Oeri Finance were buying JBOH shares from broker/dealers through their Merit account. It seems they were buying the shares to uptick the stock to over \$3.00 per share. The shares were then delivered to their JBOC accounts and the JBOH stock was sold for over \$3.00 per share.	JBOC A/S for EBC Trust and Oeri Finance. Merit A/S for EBC Trust and Oeri Finance.

Chart of EBC Trust / Merit Account
JBOH Stock Trades

<u>Date</u>	<u>Buy/Receive</u>	<u>Sell/Deliver</u>	<u>Price</u>	<u>Share/Balance</u>
10/2/95	10,000		2.031	
	19,000		1.906	
	20,000		2.031	
	17,400		1.974	66,400
10/18/95		66,400	D	0
10/20/95	2,000		2.750	
10/20/95	27,500		2.781	29,500
10/20/95		29,500	D	0
11/6/95	10,000		3.437	10,000
11/17/95		10,000	D	0
11/30/95	1,000		2.781	
11/30/95	5,000		2.937	
11/30/95	2,000		2.875	
11/30/95	1,000		2.906	9,000
12/1/95	2,000		2.781	
12/1/95	1,000		2.781	

<u>Date</u>	<u>Buy/Receive</u>	<u>Sell/Deliver</u>	<u>Price</u>	<u>Share/Balance</u>
12/1/95	1,000		2.781	13,000
12/7/95		13,000		
			D	0
12/20/95	3,000		3.406	
12/20/95	1,000		3.281	4,000
12/28/95		4,000		
			D	0

Oeri Finance
JBOH Stock Trades

<u>Date</u>	<u>Buy/Recieve</u>	<u>Sell/Deliver</u>	<u>Price</u>	<u>Share/Balance</u>
9/7/95	78,000 (OKOK)		1.00	78,000
9/22/95	40,000		1.343	118,000
9/22/95	125,000 [] []		1.25	243,000
9/25/95		14,215	1.375	228,788
9/26/95	8,000		1.625	236,785
9/26/95	3,000		1.718	239,785
9/26/95	20,000 []		1 19/32	259,785
9/27/95	42,000		1.718	301,785
10/6/95	1,000		1.781	302,785
	2,000		1.781	304,785
10/19/95	5,000		2.906	309,785
10/19/95	5,000		2.781	314,785
10/19/95	19,000		2.906	333,785
10/19/95	15,000		3.031	348,785
10/19/95	9,000		2.906	357,785
10/19/95	2,500		3.031	360,288

b6
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<u>Date</u>	<u>Buy/Recieve</u>	<u>Sell/Deliver</u>	<u>Price</u>	<u>Share/Balance</u>
10/18/95		100,000 (GWAY)	2 3/4	260,285
10/18/95		1,000	2 3/8	259,285
10/27/95	9,500		2.968	268,785
10/27/95	9,500		2.843	278,285
10/27/95	25,000		2.906	303,285
10/27/95	8,500		3.125	311,785
10/27/95	10,000		2.890	321,785
10/27/95	10,000		2.906	331,785
10/30/95	7,700		3.093	339,485
10/30/95	9,900		3.093	349,388
11/2/95	9,000		3 5/8	358,385
11/2/95		87,050	3.637	271,335

Date

Event

Source

62

January 1996

[Redacted Event]

[Redacted Source]

[Redacted Event]

[Redacted Source]

[Redacted Event]

[Redacted Source]

[Redacted Event]

[Redacted Source]

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b6
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b7D

Date

Event

Source

63

March/April
1997

[Redacted Event]

[Redacted Event]

[Redacted Event]

[Redacted Event]

[Redacted Source]

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FEDERAL BUREAU OF INVESTIGATION
FOI/PA
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FOI/PA# 1347683-0

Total Deleted Page(s) = 54

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FEDERAL BUREAU OF INVESTIGATION
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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/20/97

[redacted] aka [redacted] date of birth, [redacted] was interviewed at his place of employment, J.B. OXFORD, INC. (JBOI), 9665 Wilshire Blvd., #805, Beverly Hills, CA. [redacted] was advised of the identity of the interviewing agent and the purpose of the interview. Thereafter, [redacted] provided the following information:

b6
b7C

[redacted] has been a [redacted] at JBOI since [redacted]. His main job is to [redacted]. Prior employment was a [redacted]. Prior to that, [redacted] graduated [redacted].

AT JBOI [redacted] reports to [redacted]. He was initially interviewed by [redacted] and [redacted] another [redacted]. [redacted] is currently in Boston, MA, conducting an audit of JBOI's offices there. After these two interviews [redacted] was hired.

The only thing [redacted] knows about IRVING KOTT is a TIME magazine article he saw. He knows nothing about a connection between IRVING KOTT and JBOI. [redacted] however, [redacted] runs the [redacted]. [redacted] is JBOI's [redacted] is located on the third floor. [redacted] does not know where IRVING KOTT might have an office. IRVING KOTT does not have a say in the hiring or firing of employees, that [redacted] knows of. [redacted] is unaware of any meetings IRVING KOTT may have at his residence. [redacted] has never heard of [redacted] and he does not know who she reports to.

b6
b7C

[redacted] has never been given any instructions as to what to tell people about IRVING KOTT's status at JBOI. JBOI has a storage room in the basement of a building two blocks away from the 9665 Wilshire Blvd. address.

[redacted] has never heard of TURRET CONSULTING, E.B.C. TRUST, ARABELLA S.A., HARISTON, CORP., OPHTHALMIC IMAGING SYSTEMS, INC., LEGACY SOFTWARE, SYNERGY RENEWABLE RESOURCES, INC., WESTERN AND

Investigation on 8/19/97 at Beverly Hills, CAFile # 196C-LA-208098 - 301by SA [redacted] Date dictated 8/19/97b6
b7C

196C-LA-208098

Continuation of FD-302 of [REDACTED], On 8/19/97, Page 2

PACIFIC, or CELLTECH. Regarding OERI FINANCE, [REDACTED] knew that [REDACTED] (not sure of his first name) was the major holder of J.B. OXFORD stock, which is noted in JBOI's annual report. OERI FINANCE is connected with JBOI's Swiss office.

b6
b7C

[REDACTED] knows nothing about what stocks the sales people are told to sell. He deals only with compliance and customer complaints. The majority of complaints deals with the timely execution of cancelling buy and sell orders from customers and problems with on-line software.

[REDACTED] identifying information is as follows:

NAME:

A.K.A.:

SEX:

Male

RACE:

HEIGHT:

5' 8"

WEIGHT:

183 #

HAIR: Brown

EYES:

Brown

CALIFORNIA

DRIVER's LIC. #:

DATE OF BIRTH:

HOME ADDRESS:

HOME TELEPHONE #:

b6
b7C

302-1
196C-1A-2080918

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FBI - LOS ANGELES	

WJS

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FEDERAL BUREAU OF INVESTIGATION

On [redacted] SA [redacted] Date of transcription 08/20/88 OTHER Per Sealing Order
received four mechanical drawings of [redacted] These drawings were b6
received from [redacted] These drawings have b7C
been entered into a 1-A envelope.

Investigation on [redacted] at BEVERLY HILLS, CA. OTHER Per Sealing Order
File # 196C-LA-208098 - 302-2
by SA [redacted] Date dictated _____

196C-1A-208078-202-2

SEARCHED	INDEXED
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AUG 1 1977	
FBI - LOS ANGELES	

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FEDERAL BUREAU OF INVESTIGATION

OTHER Per Sealing Order

On [redacted] SA [redacted] Date of transcription 08/20/97
[redacted] completed the sketch [redacted]
[redacted] A copy
of this sketch is attached to this FD-302. The original sketch
has been entered into a 1-A envelope.

b6
b7C
OTHER per sealing order

Investigation on [redacted] at BEVERLY HILLS, CA.

File # 196C-LA-208098-302-3 OTHER Per Sealing Order

by SA [redacted] Date dictated _____ b6
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196C-4A-205098-3023

SEARCHED	INDEXED
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AUG 21 1997	
FBI LOS ANGELES	

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FEDERAL BUREAU OF INVESTIGATION

b6
b7C

On 8/19/97, [redacted] Date of transcription 8/20/97
 [redacted] home address: [redacted] CA. DL #: [redacted] S.S.#: [redacted]
 #: [redacted] was advised of the identity of the interviewing agent and
 of the purpose of the interview. Thereafter, he voluntarily provided the
 following information:

He has been employed with JB OXFORD for [redacted] His position
 with the company is [redacted] His [redacted] is [redacted]
 [redacted] He stated that his has no passwords for his terminal.

His prior work experience is working for [redacted] in Los
 Angeles. He stated that this company is a full service brokerage firm. He
 stated that when he was hired at JB OXFORD, he was interviewed by [redacted]
 and by [redacted]

He does not know IRVING KOTT nor does he know responsibilities of
 IRVING KOTT. He does not know where KOTT's office is.

He does not know [redacted] He has never heard of
 this name. He doesn't know a [redacted] He does not know a [redacted]
 [redacted]

[redacted] has never been to a sales meeting. He does not know of
 any meeting that occurred at the residence of KOTT. He does not of any
 document storage facilities. He does not know what a turret counselor is.
 He has never heard of the following companies: EBC TRUST, ARABELLA SA, OERI
 FINANCE, HARISTON CORP., OPHTHALMIC IMAGING SYSTEMS, LEGACY SOFTWARE, and
 SYNERGY RENEWABLE RESOURCES formerly known as WESTERN AND PACIFIC, and
 CELLTECH.

He was never instructed to push a certain stock. He was
 never given a sales script. He is not aware of any improper activity. He is
 not aware of any customer complaints. He has not been asked to promote
 stocks based on unreported press releases.

b6
b7C

Investigation on 8/19/97 at BEVERLY HILLS, CA.
 196C-LA-208098
 File # SA [redacted]
 by [redacted] Date dictated [redacted]

196C - LA - 500008 - 602 - 4

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FEDERAL BUREAU OF INVESTIGATION

On 8/19/97, [redacted] Date of transcription 8/20/97
 S.S.#: [redacted] home address: [redacted] Los Angeles, CA., home phone #: [redacted] was advised of the identity of the interviewing agent and of the purpose of the interview. Thereafter, he voluntarily provided the following information:

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b7c

He has been employed with JB OXFORD for about [redacted] His position with the company is [redacted] His supervisor is [redacted] He stated that his password to his terminal is [redacted]

His prior work experience is [redacted] He started working for JB OXFORD as a [redacted] He was then able to [redacted] into a [redacted] He had [redacted] with JB OXFORD when he began [redacted]

He does not know the responsibilities of IRVING KOTT. He has only seen him approximately six times in the past year. He believes that KOTT's office is on the third floor of the building.

He does not know [redacted] He does know that she works for the company. He believes that her office is on the third floor.

b6
b7c

He stated that [redacted] is the [redacted] He believes that [redacted] reports to the [redacted]

In regard to the TIMES article about the company, he was told that IRVING KOTT is only a consultant to the company.

[redacted] has never been to a sales meeting. He does not know of any meeting that occurred at the residence of KOTT. He does not of any document storage facilities. He does not know what a turret counselor is. He has never heard of the following companies: EBC TRUST, ARABELLA SA, OERI FINANCE, HARISTON CORP., OPHTHALMIC IMAGING SYSTEMS, LEGACY SOFTWARE, and SYNERGY RENEWABLE RESOURCES formerly known as WESTERN AND PACIFIC, and CELLTECH.

He was never instructed to push a certain stock. He was never given a sales script. He is not aware of any improper activity. He is not aware of any customer complaints. He has not been asked to promote stocks based on unreported press releases.

8/19/97 BEVERLY HILLS, CA.
 Investigation on 196C-LA-208098 at 202-5
 File # SA [redacted]
 by [redacted] Date dictated [redacted]

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194C-LA- 308098-3025

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(12/31/1995)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 08/21/1997

To: Los Angeles

From: Los Angeles

b7E

Contact: SA

ext.

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b7C

Approved By:

Drafted By:

Case ID #: 196C-LA-208098 (Pending)

Title: IRVING KOTT;
dba J.B. OXFORD;
et al;
MF; MONEY LAUNDERING;
SECURITIES FRAUD;

Synopsis: Opening of a Sub File.

Details: To request opening of a Sub 302 File for above captioned case.

♦♦

8/21/97
Regulian
Sub ~~File~~ 302 File

196C-LA-208098-201-6

SEARCHED	INDEXED
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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/20/1997

[redacted] date of birth [redacted]
[redacted] Los Angeles, California, telephone number [redacted]
[redacted] was advised of the official identity of the
interviewing agent and the nature of the interview, which took
place at [redacted]
[redacted] He thereafter voluntarily
provided the following information:

b6
b7C

[redacted] was hired at JBOC by [redacted] Human
Resources Division, and has been employed as [redacted] since
[redacted] His [redacted] is [redacted]
[redacted] recognizes the names of people that work at JBOC, but has
limited interaction with others except for his [redacted]
[redacted]

[redacted] heard that IRVING KOTT is a consultant at JBOC,
and [redacted] employee at JBOC. IRVING KOTT
maintains his own office next to the other executives at JBOC.
[redacted] has no knowledge of IRVING KOTT's responsibilities or
activities at JBOC, or his relationship with any JBOC employees.
[redacted] heard that [redacted] was formerly in charge of the
operations at JBOC, but has no knowledge of [redacted] current
responsibilities or activities.

b6
b7C

[redacted] is the [redacted] at JBOC, but [redacted] has
no knowledge of his relationship with IRVING KOTT or any JBOC
employee. [redacted] does not know what [redacted]
responsibilities are at JBOC or to whom she reports.

Other than [redacted] has limited
knowledge of the business operations at JBOC. He believes that
OERI FINANCE is JBOC's office in Switzerland.

JBOC maintains a storage facility at the Cal Fed
Building on Wilshire Boulevard, approximately two blocks west of
JBOC. [redacted] does not know the address of this facility.

[redacted]
[redacted]

b6
b7C

Investigation on 08/19/1997 at Beverly Hills, CA

File # 196C-LA-208098 - 302-7

by SA [redacted] Date dictated _____

196C-1A-20806-307

SEARCHED	INDEXED
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FBI - LOS ANGELES	

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/20/1997

[redacted] date of birth [redacted]
[redacted] Covina, California, telephone number [redacted]
[redacted] was advised of the official identity of the interviewing agent and the nature of the interview, which took place at [redacted]
[redacted] He thereafter voluntarily provided the following information:

b6
b7C

[redacted] attends [redacted] California, and has been employed as a [redacted] at JBOC since [redacted] of [redacted] employee in the JBOC [redacted] Department. [redacted] did not interview for his job at JBOC, but believes that [redacted] arranged for [redacted] in the [redacted] to take [redacted] as an [redacted] is supervised by [redacted] and his responsibilities include [redacted]

[redacted] met IRVING KOTT on one occasion, and described KOTT as "one of the big guys at JBOC." [redacted] has no knowledge of KOTT's activities, responsibilities, or title at JBOC, or if KOTT reports to anyone.

b6
b7C

Due to only being at JBOC for [redacted] and having little interaction with anyone other than [redacted] has no knowledge of responsibilities of other employees and is not familiar with the company's overall operations.

[redacted] heard that there was a controversy regarding JBOC's office in Dallas, due to a "bad trade." [redacted] has no specific knowledge of this event or any other improper activity at JBOC.

[redacted] password to the [redacted] computer program is [redacted]

b6
b7CInvestigation on 08/19/1997 at Beverly Hills, CAFile # 196C-LA-208098 - 202-8by SA [redacted] Date dictated _____

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/20/1997

[redacted] date of birth [redacted]
[redacted] California, telephone number [redacted]
[redacted] was advised of the official identity of the
interviewing agent and the nature of the interview, which took
place at [redacted]
[redacted] He thereafter voluntarily
provided the following information:

b6
b7C

[redacted] is not an employee at JBOC. [redacted] had a job
interview scheduled on [redacted] with [redacted] Controller
at JB, for a budget analyst position. [redacted] has never met [redacted]
or any other employee at JBOC before arriving at the JBOC office
this morning.

[redacted] interview at JBOC was arranged through [redacted]
[redacted] employee at [redacted]
[redacted] California, telephone
number [redacted] that [redacted]
[redacted]

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b7C

[redacted] saw the name IRVING KOTT during his research of
JBOC, but has no other knowledge of KOTT, any other employee at
JBOC, or JBOC's operations.

Investigation on 08/19/1997 at Beverly Hills, CA

File # 196C-LA-208098 - 302-9

by SA [redacted]

Date dictated _____

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The following investigation was performed by SA [redacted]
[redacted] on 08/19/1997 at Beverly Hills, California.

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b7C

During the interview of [redacted] date of
birth [redacted] at J.B. Oxford and Company
(JBOC), [redacted] indicated that JBOC maintained a storage facility
for its files and documents at the Cal Fed Building on Wilshire
Boulevard in Beverly Hills, approximately two blocks west of
JBOC. [redacted]
[redacted]
[redacted]

b6
b7C

A building maintenance employee stated to [redacted] that the
JBOC storage facility on the lower level does not have a suite
number, and is only known as the JBOC office.

196C-LA-208098 302-16

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/21/97

[redacted] date of birth [redacted]
California drivers license [redacted] current home address of
[redacted] CA [redacted], was interviewed at his
place of employment, JB OXFORD COMPANY, 9665 Wilshire Blvd.,
Beverly Hills, CA. After being advised of the identity of the
interviewing agent and the purpose of the interview, he
voluntarily provided the following information:

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b7C

[redacted] has been employed by J.B. OXFORD at various times
[redacted] He is currently [redacted] and he
works at J.B. OXFORD [redacted]
[redacted] works in [redacted] and
[redacted] is the person who
got [redacted] the job. He was never interviewed for the position.

[redacted] knows that IRVING KOTT is one of the top-level
executives at J.B. OXFORD, but [redacted] does not know any other
details about KOTT except that [redacted] who works at the
company named [redacted]

b6
b7C

[redacted] has seen [redacted] in the [redacted]
[redacted] She sometimes has questions other
employees about why certain trades did not go through. [redacted]
believes that [redacted] but he
knew no other details about [redacted]

[redacted] is not aware of any meetings that took place at
IRVING KOTT's house, nor has [redacted] been instructed about how to
answer questions about KOTT's role at the company. [redacted] does
not know of any other storage locations for the company.

[redacted] has never heard of TURRET CONSULTANTS, E.B.C.
TRUST, ARABELLA S.A., OERI FINANCE, HARISTON CORPORATION,
OPHTHALMIC IMAGING SYSTEMS, INC., LEGACY SOFTWARE, or SYNERGY
RENEWABLE RESOURCES, INC. [redacted] knows that J.B. OXFORD HOLDING
is the stock for his employer's company.

b6
b7C

[redacted] has never heard of anyone at J.B. OXFORD telling
brokers to push certain stocks to customers, nor has he ever
heard of any sales scripts. [redacted] has also never heard of anyone
telling brokers to discourage customers from selling a particular

Investigation on 08/19/97 at Beverly Hills, CA

File # 196C-LA-208098 - 302-11

by SA [redacted] Date dictated 08/21/97

196C-LA-208098

Continuation of FD-302 of [REDACTED], On 08/19/97, Page 2

stock or to find a buyer within the firm to match any sell orders.
[REDACTED] has not heard of anyone telling brokers to promote stocks based on unreported press releases or insider information. b6 b7C

[REDACTED] thinks that [REDACTED] is the [REDACTED] of J.B. OXFORD. [REDACTED] does not know anything else about [REDACTED] has not heard about anything illegal going on at J.B. OXFORD. Sometimes, J.B. OXFORD clients try to do some questionable things like sell stock that they do not own. Accounts of these companies are restricted once J.B. OXFORD learns of these practices.

Currently, [REDACTED] is aware of a computer problem that is causing interest on client's accounts to be calculated at the wrong interest rate. The computer department is working to fix the problem.

202-11

196C-CH-208072-

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 22 1997	
FBI - LOS ANGELES	

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/21/97

[redacted] date of birth [redacted]
California drivers license [redacted] current home address of
[redacted] Los Angeles, CA 90250, was interviewed at his
place of employment, JB OXFORD COMPANY, 9665 Wilshire Blvd.,
Beverly Hills, CA. After being advised of the identity of the
interviewing agent and the purpose of the interview, he
voluntarily provided the following information:

[redacted] works as a [redacted] and has been employed by J.B.
OXFORD for approximately [redacted] His immediate supervisor is
[redacted] and [redacted]
interviewed him for the position.

b6
b7c

From gossip around the office, [redacted] knows that a man
named I. KOTT is the part owner of J.B. OXFORD. [redacted] does not
know if the initial "I" stands for IRVING or [redacted] has never
seen I. KOTT, but he thinks that his office is somewhere on the
3rd floor. [redacted] would guess that I. KOTT has the power to hire
employees. [redacted] has never heard of [redacted]

[redacted] is not aware of any meetings that take place at I.
KOTT's house, nor has [redacted] been instructed about how to answer
questions about I. KOTT's role at the company. [redacted] does not
know of any other storage locations for the company.

[redacted] has never heard of TURRET CONSULTANTS, E.B.C.
TRUST, ARABELLA S.A., OERI FINANCE, HARISTON CORPORATION,
OPHTHALMIC IMAGING SYSTEMS, INC., or SYNERGY RENEWABLE RESOURCES,
INC. [redacted] knows that J.B. OXFORD HOLDING is the stock for his
employer's company.

From other gossip around the office, [redacted] knows that
LEGACY SOFTWARE is a company that was one of the few companies
that J.B. OXFORD sold as an initial public offering. [redacted] heard
that the offering was not successful.

b6
b7c

[redacted] was never told by anyone at J.B. OXFORD to push
certain stocks to customers, nor was he ever given any sales
scripts. [redacted] was also never told to discourage his customers
from selling a particular stock or to find a buyer within the
firm to match any sell orders. [redacted] was not asked to trade or

Investigation on 08/19/97 at Beverly Hills, CA

File # 196C-LA-208098 - 302-12

by SA [redacted] Date dictated 08/21/97

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OTHER Per Sealing Order

Continuation of FD-302 of

[REDACTED]

, On

[REDACTED]

, Page

2

promote stocks based on unreported press releases or insider information.

b6
b7C

[REDACTED] has heard of [REDACTED] but he does not know anything about him. [REDACTED] is not aware of any questionable activities at J.B. OXFORD. The only customer complaints that he has ever heard is that the customers have to wait on the phone until there is a broker available to take their call.

196C-LA-206018-302-12

SEARCHED	INDEXED
SERIALIZED	FILED
AL	
FBI - LOS ANGELES	
MSS	

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/21/97

[redacted] date of birth [redacted]
California drivers license [redacted] current home address of [redacted]
[redacted] Pasadena, CA 91106, was interviewed at his place of
employment, JB OXFORD COMPANY, 9665 Wilshire Blvd., Beverly
Hills, CA. After being advised of the identity of the
interviewing agent and the purpose of the interview, he
voluntarily provided the following information:

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[redacted] is [redacted] and has been employed by
J.B. OXFORD for approximately [redacted] He works [redacted]
[redacted] His immediate
supervisor is [redacted] interviewed
him for the position.

[redacted] has never heard of IRVING KOTT, [redacted]
[redacted] does not know anything about
E.B.C. TRUST, ARABELLA S.A., OERI FINANCE, HARISTON CORPORATION,
OPHTHALMIC IMAGING SYSTEMS, INC., J.B. OXFORD HOLDINGS, or
SYNERGY RENEWABLE RESOURCES, INC.

b6
b7C

[redacted] has heard of TURRET CONSULTING, but the only
thing he knows about it is that the company provided telephone
equipment for use in trading activities for a company called
TULLETT. This company is located in Tokyo and Los Angeles.

[redacted] is [redacted] and he knows
nothing about any improprieties going on at J.B. OXFORD.

Investigation on 08/19/97 at Beverly Hills, CA

File # 196C-LA-208098 - 562-13

by SA [redacted]

Date dictated 08/21/97

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b7C

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SEARCHED	INDEXED
SERIALIZED	FILED
AUG 22 1997	
S. [Signature]	

1762-114 508918-202-14

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 22 1997	
FBI - LOS ANGELES	

1/MS

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/21/97

OTHER Per Sealing Order

On [redacted] pursuant to the execution of a federal search warrant at [redacted]

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Federal Bureau of Investigation (FBI)

Special Agent (SA)

took

Investigation on _____ at Beverly Hills, CA

File # 196C-LA-208098 - 302-15

OTHER Per Sealing Order

b6

b7C

by SA _____ Date dictated 08/21/97

100-44-208098-302-1

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 22 1997	
FBI - LOS ANGELES	

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/20/1997

[redacted] born [redacted] Social Security Number [redacted] of [redacted] Los Angeles, California 90024, phone [redacted] was interviewed at her place of employment, J.B. OXFORD and COMPANY, 9665 Wilshire Boulevard, Beverly Hills, California. After being advised of the identity of the interviewing agent and the purpose of the interview, [redacted] furnished the following information:

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b7C

[redacted] graduated in [redacted] in [redacted]. From [redacted] worked for [redacted] on the [redacted] where she was being interviewed [redacted] was a [redacted] and [redacted] was employed as [redacted]. From [redacted] was employed as an [redacted] for the brokerage firm of [redacted] in [redacted]. For the [redacted] she has been employed as an [redacted] by J.B. OXFORD (JBO).

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b7C

[redacted] supervisor at JBO is [redacted]. [redacted] hiring process was somewhat informal. She knew the two persons who interviewed her, [redacted] from when she worked at [redacted]. [redacted] turned in her resume, was called for an interview and started work.

[redacted] thought IRVING KOTT was some "bigwig", but did not know him and never met him. [redacted] did not know if KOTT had the authority to hire and/or fire personnel. [redacted] assumed KOTT had an office on the third floor, but did not know for sure. [redacted] was unaware of KOTT'S responsibilities. [redacted] never received any instructions about how to handle inquiries of KOTT'S status.

[redacted] did not know anyone by the name [redacted] nor anyone at JBO by the name [redacted]

b6
b7CInvestigation on 08/19/1997 at Beverly Hills, CaliforniaFile # 196C-LA-208098 - 302 - 100by SA [redacted] Date dictated [redacted]

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Continuation of FD-302 of [REDACTED], On 08/19/1997, Page 2

[REDACTED] did not know anyone by the name [REDACTED] nor anyone at JBO by the name [REDACTED]

b6
b7C

[REDACTED] is unaware of any storage facilities of JBO.

[REDACTED] did not recognize the following entities:

TURRET CONSULTANTS
E.B.C. TRUST
ARABELLA S.A.
OERI FINANCE
HARISTON CORPORATION
OPHTHALMIC IMAGING SYSTEMS, INC.
LEGACY SOFTWARE
SYNERGY RENEWABLE RESOURCES, INC.
WESTERN AND PACIFIC
CELLTECH

[REDACTED] did recognize the name J.B. OXFORD HOLDINGS.
[REDACTED] thought that was the stock that was traded.

[REDACTED] was not in a position to promote or discourage sales of stock. Her department did not handle sales, but rather trades. Her department would execute orders for correspondent brokers.

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b7C

[REDACTED] heard the name of [REDACTED] but never met him.

[REDACTED] was not aware of any improper or questionable activity involving trading by management, KOTT or anyone else at JBO. [REDACTED] was also not aware of KOTT or anyone else at JBO promoting stocks based on unreported press releases or insider information.

1960-1H-208092-337-16

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 11 1967	
FBI - LOS ANGELES	
1715	

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/21/1997

[redacted] born [redacted] Social Security Number [redacted] of [redacted] California 90254, phone [redacted] was interviewed at his place of employment, J.B. OXFORD and COMPANY, 9665 Wilshire Boulevard, Beverly Hills, California. After being advised of the identity of the interviewing agent and the purpose of the interview, [redacted] furnished the following information:

b6
b7C

[redacted] graduated in [redacted] from the [redacted] with a [redacted] From [redacted] to [redacted] worked for [redacted] in [redacted] From [redacted] worked for [redacted] in [redacted] From [redacted] was employed as a [redacted] From [redacted] to the present he has been employed in [redacted] at J.B. OXFORD (JBO).

b6
b7C

[redacted] supervisor at JBO is [redacted] [redacted] responded to an ad in the paper. [redacted] was interviewed by [redacted] and [redacted] and offered the position.

[redacted] thought IRVING KOTT was in the administrative branch and maybe President, but was not sure. [redacted] did not know if KOTT had the authority to hire and/or fire personnel. [redacted] assumed KOTT had an office on the third floor somewhere. [redacted] was unaware of KOTT'S responsibilities. [redacted] never received any instructions about how to handle inquiries of KOTT'S status.

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b7C

[redacted] thought [redacted] may be an administrative assistant, but had never met her.

[redacted] knew [redacted] was IRVING'S [redacted] but didn't know

Investigation on 08/19/1997 at Beverly Hills, California

File # 196C-LA-208098-302-17

by SA [redacted] Date dictated [redacted]

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b7C

196-11-2080918-302-17

SEARCHED	INDEXED
SERIALIZED	FILED
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302 WPD

b6
b7C

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Continuation of FD-302 of [REDACTED], On 08/19/1997, Page 2 b6 b7C

anything about [REDACTED] responsibilities at JBO.

[REDACTED] is unaware of any storage facilities of JBO.

[REDACTED] did not recognize the following entities:

TURRET CONSULTANTS
E.B.C. TRUST
ARABELLA S.A.
OERI FINANCE
HARISTON CORPORATION
LEGACY SOFTWARE
SYNERGY RENEWABLE RESOURCES, INC.
WESTERN AND PACIFIC
CELLTECH

[REDACTED] thought he might recognize the name OPHTHALMIC IMAGING SYSTEMS, INC., but did not know anything about the company or anything else related to it.

[REDACTED] did recognize the name J.B. OXFORD HOLDINGS (JBOH).
[REDACTED] thought JBOH was the business that owned JBO.

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b7C

[REDACTED] thought [REDACTED] was [REDACTED]
[REDACTED] of JBOH. [REDACTED] thought he runs JBOH, but did not know the relationship to KOTT.

[REDACTED] was not aware of any improper or questionable activity involving trading by management, KOTT or anyone else at JBO. [REDACTED] was also not aware of KOTT or anyone else at JBO promoting stocks based on unreported press releases or insider information.

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SEARCHED	INDEXED
SERIALIZED	FILED
AUG 12 1997	
FBI - LOS ANGELES	

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/21/1997

[redacted] born [redacted] Social Security Number [redacted] of [redacted] Glendale, California 91206, phone [redacted] was interviewed at his place of employment, J.B. OXFORD and COMPANY, 9665 Wilshire Boulevard, Beverly Hills, California. After being advised of the identity of the interviewing agent and the purpose of the interview, [redacted] furnished the following information:

b6
b7C

[redacted] graduated in [redacted] from [redacted]
[redacted] a degree [redacted]

From [redacted] worked for [redacted] as a [redacted] and [redacted] worked for [redacted] as a [redacted] From [redacted] to the present he has been employed as [redacted] at J.B. OXFORD (JBO).

[redacted] supervisor at JBO is [redacted]

[redacted] responded to an ad in the paper. [redacted] faxed in his resume. [redacted] was interviewed over the phone by people he could not recall the names of. He was offered the position.

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b7C

[redacted] thought IRVING KOTT was a consultant for JBO. [redacted] did not know who KOTT reported to or advised. [redacted] did not know if KOTT had the authority to hire and/or fire personnel. [redacted] did not know if KOTT had an office at JBO. [redacted] never received any instructions about how to handle inquiries of KOTT'S status.

[redacted] thought [redacted] may possibly be IRVING KOTT'S assistant, and he would recognize her.

[redacted] thought [redacted] may be the [redacted]

[redacted] is unaware of any storage facilities of JBO.

b6
b7C

Investigation on 08/19/1997 at Beverly Hills, California

File # 196C-LA-208098 - 302-18

by SA [redacted] Date dictated

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Continuation of FD-302 of

[REDACTED]

, On 08/19/1997

, Page

2

b6
b7C

[REDACTED] did not recognize the following entities:

TURRET CONSULTANTS
E.B.C. TRUST
ARABELLA S.A.
OERI FINANCE
HARISTON CORPORATION
OPHTHALMIC IMAGING SYSTEMS, INC.
LEGACY SOFTWARE
SYNERGY RENEWABLE RESOURCES, INC.
WESTERN AND PACIFIC
CELLTECH

[REDACTED] did recognize the name J. B. OXFORD HOLDINGS (JBOH).
[REDACTED] thought JBOH was on line trading. [REDACTED] saw in the paper that
JBOH had insurance and other companies.

[REDACTED] never received any instructions from KOTT.
[REDACTED] knows the name of [REDACTED] and would
recognize him. [REDACTED] thought [REDACTED] was some executive, but
didn't know any specifics.

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b7C

[REDACTED] was not aware of any improper or questionable activity
involving trading by management, KOTT or anyone else at JBO. [REDACTED]
was also not aware of KOTT or anyone else at JBO promoting stocks
based on unreported press releases or insider information.

196 C-LA-208979-302-13

SEARCHED	INDEXED
SERIALIZED	FILED
7 1007	
FBI LOS ANGELES	

MSB

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/21/1997

[redacted] born [redacted] Social Security Number [redacted] California Driver's License Number [redacted] of [redacted] Los Angeles, California 90043, phone [redacted] was interviewed at his place of employment, J.B. OXFORD and COMPANY, 9665 Wilshire Boulevard, Beverly Hills, California. After being advised of the identity of the interviewing agent and the purpose of the interview, [redacted] furnished the following information:

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b7C

[redacted] graduated in [redacted] from the [redacted] with a degree in [redacted]. From [redacted] worked for [redacted] as an [redacted] worked for [redacted] as a [redacted]. From [redacted] to the present he has been employed as an [redacted] at J.B. OXFORD (JBO).

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b7C

[redacted] supervisor at JBO is [redacted]. [redacted] faxed in his resume. [redacted] was interviewed by [redacted]. He was hired. At the time he was hired there was only two people in his group, himself and [redacted] who no longer works for JBO.

[redacted] thought IRVING KOTT was a consultant for JBO. [redacted] thought KOTT was a consultant because he read it in a newspaper like the LA TIMES. [redacted] never met KOTT. [redacted] thought KOTT did not have the authority to hire and/or fire personnel and that [redacted] was the only one who had that authority. [redacted] did not know if KOTT had an office at JBO. [redacted] never received any instructions about how to handle inquiries of KOTT'S status.

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b7C

[redacted] thought he knew the name of [redacted] but would not recognize her. [redacted] did not know what she did for JBO.

Investigation on 08/19/1997 at Beverly Hills, CaliforniaFile # 196C-LA-208098 - 307-19by SA [redacted] Date dictated b6
b7C

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Continuation of FD-302 of [REDACTED], On 08/19/1997, Page 2 b6 b7C

[REDACTED] thought [REDACTED] may be one of the executive officers. Also that [REDACTED] could be [REDACTED] boss. [REDACTED] might be the [REDACTED] of IRVING KOTT.

[REDACTED] is unaware of any storage facilities of JBO.

[REDACTED] did not recognize the following entities:

TURRET CONSULTANTS
E.B.C. TRUST
ARABELLA S.A.
HARISTON CORPORATION
OPHTHALMIC IMAGING SYSTEMS, INC.
LEGACY SOFTWARE
SYNERGY RENEWABLE RESOURCES, INC.
WESTERN AND PACIFIC
CELLTECH

[REDACTED] thought he recognized the name OERI FINANCE. [REDACTED] thought he read some story on "JBOC NEWS" about a person with the last name [REDACTED]. [REDACTED] thought [REDACTED] could be the chairman of JBOC, J.B. OXFORD & COMPANY.

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b7C

[REDACTED] never received any instructions from KOTT.

[REDACTED] thought [REDACTED] was an executive officer, but did not know his relationship to KOTT.

[REDACTED] was not aware of any improper or questionable activity involving trading by management, KOTT or anyone else at JBO. [REDACTED] was also not aware of KOTT or anyone else at JBO promoting stocks based on unreported press releases or insider information.

196C-CA-208093-302-19

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 22 1997	
FBI - LOS ANGELES	

WSS

100-302

196C-LA-208098-307-20

SEARCHED	INDEXED
SERIALIZED	FILED
APR 2 1967	
FBI - LOS ANGELES	

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/20/1997

[redacted] at J.B. Oxford and Company located in Beverly Hills, California, was interviewed at his place of employment. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

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b7c

[redacted] has been employed [redacted] at J.B. Oxford since approximately [redacted]. In his capacity as [redacted] [redacted] is responsible for [redacted] at the [redacted] firm. [redacted] reports to [redacted] and [redacted] [redacted] of J.B. Oxford.

[redacted] previously worked at [redacted] a company involved in [redacted]. [redacted] was hired [redacted]. He interviewed with [redacted] and [redacted] (LNU), the [redacted].

[redacted] stated that IRVING KOTT is a consultant who provides business ideas. KOTT helps in operations and is involved in lots of areas. KOTT does not have a permanent office that [redacted] knows of, but rather floats in the executive area of the office. [redacted] assumes that KOTT reports to [redacted] and [redacted] estimates that KOTT is paid approximately \$180,000 per year.

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b7c

Because of his prominence, [redacted] assumes that KOTT could make suggestions for hiring and firing people, but that the decision would be made by others. KOTT has become angry at some traders and has yelled at them, but [redacted] has not heard that he has had anyone fired.

[redacted] believes that KOTT lives in Canada. When he is in Los Angeles, KOTT stays at a house in Beverly Hills which is rented by J.B. Oxford.

When KOTT is in Los Angeles, apparently somewhat under 50 percent of the time, he works at J.B. Oxford approximately ten hours per day.

Investigation on 08/19/1997 at Beverly Hills, CA

File # 196C-LA-208098 - 202-24

by SA [redacted]

Date dictated 08/20/1997

b6
b7c

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Continuation of FD-302 of [redacted]

, On 08/19/1997, Page 2

[redacted] stated that [redacted] is the [redacted] at J.B. OXFORD. [redacted] handles all administrative functions of the office and reports to [redacted] b6 b7C

[redacted] is IRVING KOTT's [redacted] and is with him whenever he is in the office. Her main focus seems to be in scrutinizing expenses as she frequently requests expense information from the accounting department.

KOTT and [redacted] can dial into J.B. Oxford's computer system from home and retrieve information. They have only done this from Canada to the best of [redacted] knowledge.

J.B. OXFORD has two off-site storage locations. The first is about 2000 square feet at the CALFED BANK building on Wilshire Boulevard on the bottom floor. The door is unmarked. [redacted] does not know the location of the second.

TIRRET CONSULTANTS is the company name used by KOTT and [redacted]. The company's office is in Canada, possibly in Montreal. [redacted] knows of no other employees of the firm, but noted that someone who he assumed was a secretary answers the phone at the office in Canada.

[redacted] has heard rumors that KOTT was in trouble years ago, possibly outside of the United States.

EBC Trust is a bank that J.B. Oxford has borrowed money from in the past. [redacted] does not know how much or when.

OERI FINANCE is [redacted] who is a big investor in J.B. Oxford. J.B. Oxford was in bad financial trouble several years ago, and OERI bailed it out. b6 b7C

J.B. Oxford Holdings is the parent company of J.B. OXFORD. Other companies owned by J.B. Oxford Holdings include Stocks for Less, J.B. Oxford Insurance, and Prolyx.

OPHTHALMIC IMAGING is a company which J.B. OXFORD possibly paid as a contractor. [redacted] recalls seeing a Form 1099 for the company, but was not able to locate it.

SYNERGY RENEWABLE RESOURCES has received a \$300,000 loan from J.B. OXFORD.

[redacted] believes that the sales representatives at J.B.

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Continuation of FD-302 of [REDACTED], On 08/19/1997, Page 3

OXFORD are instructed not to give advise on stocks, and that all telephone calls are recorded to ensure that they do not.

[REDACTED] is the [REDACTED] of J.B. OXFORD. Everyone else at the company reports to [REDACTED] so he assumes that KOTT does as well.

b6
b7c

The following identifying information was obtained through interview and review of driver's license information:

Name:	[REDACTED]
Sex:	Male
Race:	[REDACTED]
Hair:	Brown
Eyes:	Brown
Height:	6'0"
Weight:	170
Date of Birth:	[REDACTED]
Residence Address:	[REDACTED]
Residence Telephone:	[REDACTED]
Employer:	J.B. Oxford and Company
Position:	[REDACTED]
Work Address:	9665 Wilshire Blvd Beverley Hills, CA

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SEARCHED	INDEXED
SERIALIZED	FILED
AUG 22 1997	
FBI LOS ANGELES	
1035	

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/20/1997

[redacted] at J.B. Oxford and Company located in Beverly Hills, California, was interviewed at her place of employment. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

[redacted] has been employed at J.B. Oxford since [redacted]. In her capacity as [redacted] is responsible for [redacted] particularly for [redacted]. Her supervisor is [redacted].

b6
b7C

[redacted] was hired at J.B. OXFORD because several people who she had worked with at [redacted] had also worked at J.B. Oxford and recommended her. She submitted a resume, was interviewed by [redacted] and was hired.

[redacted] believes that IRVING KOTT is the owner of J.B. OXFORD. She does not recall who told her this, but that is the impression which she has. In her position, she never deals with KOTT.

[redacted] stated that [redacted] is the [redacted] at J.B. OXFORD. [redacted] is very active at the office and is always there.

[redacted] does not know who [redacted] is.

Files at J.B. OXFORD are boxed up and taken away by the mail room staff, [redacted] does not know to where.

[redacted] has [redacted] at J.B. OXFORD.

[redacted] believes that [redacted] is the [redacted] for J.B. OXFORD.

b6
b7C

The following identifying information was obtained through interview and review of driver's license information:

Name:

Sex:

Female

Investigation on 08/19/1997 at Beverly Hills, CA

File # 196C-LA-208098 - 302-22

by SA [redacted]

Date dictated 08/20/1997

196C-LA-208098

Continuation of FD-302 of [REDACTED], On 08/19/1997, Page 2

Race: [REDACTED]
Hair: Brown
Eyes: Brown
Height: 5'4"
Weight: 130
Date of Birth: [REDACTED]
Drivers License: [REDACTED]
Residence Address: [REDACTED]
Employer: J.B. Oxford and Company
Position: [REDACTED]
Work Address: 9665 Wilshire Blvd
Beverley Hills, CA

b6
b7C

196C-LA-503053-122

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 22 1997	
FBI - LOS ANGELES	

11/15 P

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/20/1997

[redacted] at J.B. Oxford and Company located in Beverly Hills, California, was interviewed at her place of employment. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

b6
b7C

[redacted] has been employed as a [redacted] at J.B. Oxford since approximately [redacted]. In this capacity, [redacted] is responsible for completing special accounting projects at the firm. [redacted] reports to [redacted] the [redacted].

[redacted] previously worked for [redacted] J.B. Oxford and Company. She was hired through a [redacted] interviewed with [redacted] and [redacted] then with [redacted] from J.B. Oxford and Company's human resources department.

[redacted] thinks that IRVING KOTT is the owner. She was told that [redacted] was the [redacted] very rarely sees IRVING KOTT, and has had no occasion to speak with him. KOTT has an office next to [redacted] described his role as more of a [redacted] than anything else. She has been told that whatever KOTT and [redacted] request should be given priority over anything else.

b6
b7C

[redacted] knows very little about [redacted]. She is some sort of a consultant.

[redacted] runs things on the administrative side at J.B. Oxford and Company. [redacted] described him as the "Acting Owner." [redacted] is on the same level as [redacted].

[redacted] is the [redacted] of J.B. Oxford and Company. He is active more on the sales side of J.B. Oxford and Company, and is less involved in administrative issues.

J.B. Oxford and Company has off-site storage at the CALFED building on Wilshire Boulevard. To reach the storage

Investigation on 08/19/1997 at Beverly Hills, CA

File # 196C-LA-208098 - 302-23

by SA [redacted] Date dictated 08/20/1997

196C-LA-208098

Continuation of FD-302 of [redacted], On 08/19/1997, Page 2 b6 b7C

area, enter the building on the right side and go down to the first level. This is where J.B. Oxford and Company stores files and documents.

[redacted] has heard that J.B. Oxford and Company also has storage at a site on National where furniture is stored.

TURRET CONSULTANTS provides some sort of consulting services to J.B. Oxford and Company. [redacted] is possibly the owner.

J.B. Oxford Holdings is the parent company of J.B. Oxford and Company.

The following identifying information was obtained through interview and review of driver's license information:

Name:	[redacted]
Sex:	Female
Race:	[redacted]
Hair:	Brown
Eyes:	Brown
Height:	5'3"
Weight:	130
Date of Birth:	[redacted]
Residence Address:	[redacted]
	Los Angeles, CA
Residence Telephone:	[redacted]
Employer:	J.B. Oxford and Company
Position:	[redacted]
Work Address:	9665 Wilshire Blvd Beverly Hills, CA

b6
b7C

1961-44-50807A-302-23

SEARCHED	INDEXED
SERIALIZED	FILED
AUG	
FBI	
11/10/61	

Wm

1962-14-204-2-2-02-

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 22 1997	
FBI LOS ANGELES	

105

196C-LA-208098

RT:rt *W*

1

b6

b7C

OTHER per sealing order

The following people were identified at [redacted]
[redacted] during the course
of a search warrant executed on [redacted]

196C-LA-208098-302-25

1960-CA-208018-30-26

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 2 1967	
FBI - LOS ANGELES	

WSS

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/20/97

On August 19, 1997 Special Agent (SA) [redacted] FBI, Los Angeles, interviewed [redacted] at her place of employment, J. B. OXFORD COMPANY (JBOC), 9665 Wilshire Boulevard, Suite 300, Beverly Hills, California. After being advised of the nature of the interview and the identity of the interviewing agent [redacted] provided the following information:

b6
b7C

[redacted] is an [redacted] at JBOC. She came to JBOC while working at a [redacted]. After approximately [redacted] she was offered her current position by [redacted]. She has been employed at JBOC for approximately [redacted]. Her immediate supervisor is [redacted]. Her computer password is [redacted] and her printer password is [redacted].

When asked about both IRVING KOTT and [redacted] [redacted] replied that she does not know either of them. She stated that she knows [redacted] whom she believes is [redacted] which [redacted] explained was [redacted]. She stated that she does not know who [redacted] reports to.

[redacted] relayed that there is another storage location for JBOC's documents and files, but she does not know where. She added that "I'm sure [redacted] does because he has been there."

[redacted] replied in the negative when asked about her knowledge of TURRET CONSULTANTS, E.B.C. TRUST, ARABELLA S.A., OERI FINANCE, HARISTON CORPORATION, OPHTHALMIC IMAGING SYSTEMS, INC., LEGACY SOFTWARE, J.B. OXFORD HOLDINGS, SYNERGY RENEWABLE RESOURCES, INC./WESTERN AND PACIFIC, and CELLTECH.

b6
b7C

[redacted] stated she was unsure of [redacted] title/responsibilities, but he may be the owner of JBOC. He is "one of the tops". She does not know if he reports to IRVING KOTT. She further stated that she was unaware of any improper or questionable activity involving trading and management or brokers and traders at JBOC.

The only customer complaints [redacted] was aware of was typical complaints of slow transfers. The "system" is automated and it takes seven to ten days to transfer. Some

Investigation on 8/19/97 at Los Angeles, CA

File # 196C-LA-208098 - 303 - 27

by SA [redacted]

Date dictated _____

196C-LA-208098

Continuation of FD-302 of [REDACTED], On 8/19/97, Page 2

customers expect the transfers to occur on the same or next day.

Finally, [REDACTED] stated that she had never been asked by KOTT or anyone else at JBOC to promote stocks based on unreported press releases nor had she been asked to trade J.B. OXFORD HOLDING stocks on insider information. [REDACTED] provided the following identifying information both verbally and from her California Drivers License (CDL).

NAME:

ADDRESS:

HOME TELEPHONE:

CDL #:

DOB:

SSAN:

HEIGHT:

WEIGHT:

SEX:

EYES:

HAIR:

5'-7"

190 lbs

Female

Blue

Blonde

b6
b7C

100-14-2093-2-2

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 22 1967	
FBI - LOS ANGELES	

155

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/20/97

On August 19, 1997, Special Agent (SA) [redacted] FBI, Los Angeles, interviewed [redacted] at his place of employment, J. B. OXFORD COMPANY (JBOC), 9665 Wilshire Boulevard, Suite 300, Beverly Hills, California. After being advised of the nature of the interview and the identity of the interviewing agent, [redacted] provided the following information:

b6
b7C

[redacted] is a [redacted] for day trading at JBOC. He had previously worked at [redacted] for [redacted] as a [redacted] and in [redacted] went through a series of interviews with [redacted] and [redacted]. He was hired on [redacted] is his immediate supervisor. [redacted] computer passwords are [redacted] for network entry, and [redacted] for SIS (mainframe) entry.

When asked about IRVING KOTT, [redacted] replied that he does not know what responsibilities KOTT has or if he reports to anyone. [redacted] relayed that when KOTT comes to the office, he uses the "guest suite", which is an office on the west side of the building. [redacted] stated that he does not know if IRVING KOTT has any say in hiring or firing, but his understanding is that [redacted] has the final authority.

[redacted] is unsure of [redacted] responsibilities, but believes she has something to do with the Trading Department, overseeing traders or troubleshooting. [redacted] assumes that [redacted] reports to [redacted] is the [redacted] and reports to [redacted]

[redacted] stated that he is unaware of either IRVING KOTT OR [redacted] ever taking any work home, nor had he heard of any meetings at IRVING KOTT's residence. [redacted] further stated that he had never received any instructions regarding what to tell people who inquire about KOTT's status at JBOC.

b6
b7C

When asked about other storage facilities for JBOC documents and files, [redacted] replied that there is an offsite somewhere else but he has never been there. There is also storage space somewhere in the basement of JBOC.

[redacted] replied in the negative when asked about his knowledge of TURRET CONSULTANTS, E.B.C. TRUST, ARABELLA S.A., OERI FINANCE, HARISTON

Investigation on 8/19/97 at Los Angeles, CA

File # 196C-LA-208098 - 302 - 28

by SA [redacted]

Date dictated

196C-LA-208098

Continuation of FD-302 of [REDACTED], On 8/19/97, Page 2 b6 b7C

CORPORATION, OPHTHALMIC IMAGING SYSTEMS, INC., LEGACY SOFTWARE, J.B. OXFORD HOLDINGS, SYNERGY RENEWABLE RESOURCES, INC./WESTERN AND PACIFIC, and CELLTECH.

[REDACTED] is not in sales and stated that he is unaware of anyone pushing specific stocks or providing sales scripts to promote any specific company. He has never attended any sales meetings and is unaware of IRVING KOTT attending the meetings.

b6
b7C

[REDACTED] said that [REDACTED] is the [REDACTED] of JBOC and he is unaware of who he reports to. He is unaware of any improper or questionable activity involving trading and management or brokers and traders at JBOC.

Finally, [REDACTED] stated that he had never been asked by KOTT or anyone else at JBOC to promote stocks based on unreported press releases nor had he been asked to trade J.B. OXFORD HOLDING stocks on insider information. [REDACTED] provided the following identifying information both verbally and from his California Drivers License (CDL).

NAME:

ADDRESS:

HOME TELEPHONE:

CDL #:

DOB:

SSAN:

HEIGHT:

WEIGHT:

SEX:

EYES:

HAIR:

[REDACTED]

[REDACTED], California [REDACTED]

[REDACTED]

5'-9"

140 lbs

Male

Brown

Brown

b6
b7C

100-44-308018-31-28

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 22 1967	
FBI - LOS ANGELES	

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/20/97

On August 19, 1997 Special Agent (SA) [redacted] FBI, Los Angeles, interviewed [redacted] at his place of employment, J. B. OXFORD COMPANY (JBOC), 9665 Wilshire Boulevard, Suite 300, Beverly Hills, California. After being advised of the nature of the interview and the identity of the interviewing agent, [redacted] provided the following information:

b6
b7C

[redacted] is a [redacted] at JBOC. He is a recent graduate of the [redacted]. He was hired approximately [redacted] by his immediate supervisor, [redacted]. He is currently [redacted] and does not yet have access to the computer terminals.

[redacted] was unfamiliar with any of the executives at JBOC and had not had any dealings with any of the stock companies. [redacted] provided the following identifying information both verbally and from his California Drivers License (CDL).

NAME:	[redacted]
ADDRESS:	[redacted] [redacted] California
HOME TELEPHONE:	[redacted]
CDL #:	[redacted]
DOB/POB:	[redacted]
SSAN:	[redacted]
HEIGHT:	5'-8"
WEIGHT:	145 lbs
SEX:	Male
EYES:	Brown
HAIR:	Black

b6
b7CInvestigation on 8/19/97 at Los Angeles, CAFile # 196C-LA-208098 - 302-20

by SA [redacted]

Date dictated _____

b6
b7C

1960-60-256-60-302-

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 22 1967	
FBI - LOS ANGELES	

29

1735

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/20/97

On August 19, 1997 Special Agent (SA) [redacted] FBI, Los Angeles, interviewed [redacted] at his place of employment, J. B. OXFORD COMPANY (JBOC), 9665 Wilshire Boulevard, Suite 300, Beverly Hills, California. After being advised of the nature of the interview and the identity of the interviewing agent [redacted] provided the following information:

b6
b7C

[redacted] has been at JBOC for approximately [redacted]. He was interviewed by [redacted]. His computer passwords are [redacted].

When asked about IRVING KOTT [redacted] replied that he does not know what responsibilities KOTT has or if he reports to anyone. He stated that KOTT is a consultant to the firm. KOTT's office is at the "end of the hall" (west end). [redacted] does not know if KOTT has a say in hiring or firing.

b6
b7C

[redacted] stated that [redacted] is an executive at JBOC and reports to [redacted] is responsible for the [redacted] of JBOC and also reports to [redacted] is unaware of IRVING KOTT or [redacted] taking any work home, nor had he heard of any meeting at IRVING KOTT's residence. [redacted] further stated that he had never received any instructions regarding what to tell people who inquire about KOTT's status at JBOC.

When asked about other storage facilities for JBOC documents and files, [redacted] replied that there are files "upstairs in the Compliance Department".

[redacted] replied in the negative when asked about his knowledge of TURRET CONSULTANTS, E.B.C. TRUST, ARABELLA S.A., OERI FINANCE, HARISTON CORPORATION, OPHTHALMIC IMAGING SYSTEMS, INC., J.B. OXFORD HOLDINGS, SYNERGY RENEWABLE RESOURCES, INC./WESTERN AND PACIFIC, and CELLTECH. [redacted] stated that he knew that JBOC "underwrote the IPO (Initial Public Offering) for LEGACY SOFTWARE prior to his coming to JBOC.

[redacted] stated that he is unaware of anyone pushing specific stocks or providing sales scripts to promote any specific company. He has never attended any sales meetings with IRVING KOTT.

b6
b7C

Investigation on 8/19/97 at Los Angeles, CA

File # 196C-LA-208098 - 302-36

by SA [redacted]

Date dictated

196C-LA-208098

Continuation of FD-302 of [REDACTED], On 8/19/97, Page 2 b6 b7C

[REDACTED] said that [REDACTED] is the [REDACTED] of JBOC and he is unaware of who he reports to. He is unaware of any improper or questionable activity involving trading and management or brokers and traders at JBOC.

Finally [REDACTED] stated that he had never been asked by KOTT or anyone else at JBOC to promote stocks based on unreported press releases nor had he been asked to trade J. B. OXFORD HOLDING stocks on insider information. [REDACTED] provided the following identifying information both verbally and from his California Drivers License (CDL).

NAME:

ADDRESS:

HOME TELEPHONE:

CDL #:

DOB/POB:

SSAN:

HEIGHT:

WEIGHT:

SEX:

EYES:

HAIR:

5'-10"

165 lbs

Male

Brown

Black

California

b6
b7C

196C-43-208 075-22-30

SEARCHED	INDEXED
SERIALIZED	FILED
APR 11 1964	
FBI - MEMPHIS	

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/21/97

On August 19, 1997 Special Agent (SA) [redacted] FBI, Los Angeles, interviewed [redacted] at her place of employment, J. B. OXFORD COMPANY (JBOC), 9665 Wilshire Boulevard, Suite 300, Beverly Hills, California. After being advised of the nature of the interview and the identity of the interviewing agent, [redacted] provided the following information:

b6
b7C

[redacted] has been a broker at JBOC since [redacted] She worked previously as a [redacted] She was interviewed for the position by [redacted] Her immediate supervisor is [redacted] Her computer passwords are [redacted] and [redacted] stated that she is unfamiliar with IRVING KOTT, [redacted] and [redacted]

[redacted] replied in the negative when asked about other storage facilities and her knowledge of TURKET CONSULTANTS, E.B.C. TRUST, ARABELLA S.A., OERI FINANCE, HARISTON CORPORATION, OPHTHALMIC IMAGING SYSTEMS, INC., LEGACY SOFTWARE, J.B. OXFORD HOLDINGS, SYNERGY RENEWABLE RESOURCES, INC./WESTERN AND PACIFIC, and CELLTECH.

b6
b7C

[redacted] said that [redacted] is the [redacted] of JBOC and she does not know if he reports to IRVING KOTT. She is unaware of any improper or questionable activity involving trading and management or brokers and traders at JBOC.

Finally, [redacted] stated that she had never been asked by KOTT or anyone else at JBOC to promote stocks based on unreported press releases nor had she been asked to trade J. B. OXFORD HOLDING stocks on insider information. [redacted] provided the following identifying information both verbally and from her California Drivers License (CDL).

NAME:

ADDRESS:

HOME TELEPHONE:

CDL #:

DOB/POB:

SSAN:

HEIGHT:

5'-2"

b6
b7CInvestigation on 8/19/97 at Los Angeles, CAFile # 196C-LA-208098 - 302-31

by SA [redacted]

Date dictated _____

196C-LA-208098

Continuation of FD-302 of

, On 8/19/97

, Page 2

b6
b7C

WEIGHT:	110 lbs
SEX:	Female
EYES:	Brown
HAIR:	Black

196C-151-208098-302-3)

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 2 1967	
FBI LG	

ms

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/21/97

On August 19, 1997 Special Agent (SA) [redacted] FBI, Los Angeles, interviewed [redacted] at his place of employment, J. B. OXFORD COMPANY (JBOC), 9665 Wilshire Boulevard, Suite 300, Beverly Hills, California. After being advised of the nature of the interview and the identity of the interviewing agent, [redacted] provided the following information:

b6
b7C

[redacted] has been a [redacted] at JBOC since [redacted]. He worked previously at [redacted]. He was interviewed for the position by [redacted]. His immediate supervisor is [redacted]. His computer password is [redacted]. [redacted] stated that he is unfamiliar with IRVING KOTT, [redacted] and [redacted].

[redacted] replied in the negative when asked about other storage facilities and his knowledge of TURRET CONSULTANTS, E.B.C. TRUST, ARABELLA S.A., OERI FINANCE, HARISTON CORPORATION, OPHTHALMIC IMAGING SYSTEMS, INC., LEGACY SOFTWARE, J.B. OXFORD HOLDINGS, SYNERGY RENEWABLE RESOURCES, INC./WESTERN AND PACIFIC, and CELLTECH.

[redacted] said that [redacted] was [redacted] but he does not know if he reports to IRVING KOTT. He is unaware of any improper or questionable activity involving trading and management or brokers and traders at JBOC.

b6
b7C

Finally [redacted] stated that he had never been asked by KOTT or anyone else at JBOC to promote stocks based on unreported press releases nor had he been asked to trade J.B. OXFORD HOLDING stocks on insider information. [redacted] provided the following identifying information both verbally and from his California Drivers License (CDL).

NAME:

ADDRESS:

HOME TELEPHONE:

CDL #:

DOB/POB:

SSAN:

HEIGHT:

5'-8"

b6
b7CInvestigation on 8/19/97 at Los Angeles, CAFile # 196C-LA-208098 - 302-32by SA [redacted] Date dictated

196C-LA-208098

Continuation of FD-302 of

, On 8/19/97

, Page 2

b6
b7C

WEIGHT:	145 lbs
SEX:	Male
EYES:	Brown
HAIR:	Black

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 22 1967	
FBI - LOS ANGELES	
MISS	

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/21/97

On August 19, 1997 Special Agent (SA) [redacted] FBI, Los Angeles, interviewed [redacted] at his place of employment, J. B. OXFORD COMPANY (JBOC), 9665 Wilshire Boulevard, Suite 300, Beverly Hills, California. After being advised of the nature of the interview and the identity of the interviewing agent, [redacted] provided the following information:

b6
b7C

[redacted] has been [redacted] at JBOC for approximately [redacted]. He was interviewed for the position by [redacted] a [redacted]. His immediate supervisor is [redacted]. His computer passwords are [redacted] and [redacted].

[redacted] stated that IRVING KOTT is responsible for advertising and consulting at JBOC. He does not know if he reports to anyone nor if he has an office at JBOC. He further stated that he does not believe that KOTT has a say in hiring or firing.

[redacted] said that he does not know [redacted] role at JBOC, but he has seen her around. He assumes that she reports to [redacted]. When asked about [redacted] role at JBOC, [redacted] replied that he "overlooks all of the different firms". [redacted] assumes that [redacted] reports to [redacted].

b6
b7C

[redacted] is not aware of IRVING KOTT or [redacted] taking work home. He has been to IRVING KOTT's [redacted]. [redacted] added that no business was discussed.

[redacted] replied in the negative when asked about other storage facilities and his knowledge of TURRET CONSULTANTS, E.B.C. TRUST, ARABELLA S.A., and OERI FINANCE. He stated that HARISTON CORPORATION was brought to JBOC's attention in 1994, when they were presented with information on the company's potential in Europe. The brokers were told to "deal with it as you please".

b6
b7C

[redacted] relayed that salesmen from OPHTHALMIC IMAGING SYSTEMS, INC. came to JBOC in early 1995 and gave a presentation. They explained their technology and progress. The brokers were told to "go with it as you wish". He further relayed that JBOC did the IPO (Initial Public Offer) on LEGACY SOFTWARE in the summer of 1995. They

Investigation on 8/19/97 at Los Angeles, CA

File # 196C-LA-208098 - 302-33

by SA [redacted]

Date dictated _____

b6
b7C

196C-LA-208098

Continuation of FD-302 of [REDACTED], On 8/19/97, Page 2 b6 b7C

underwrote it after the company gave a sales pitch.

[REDACTED] said that J. B. OXFORD HOLDINGS is company stocks for JBOC. He does not know anything about SYNERGY RENEWABLE RESOURCES, INC./WESTERN AND PACIFIC. CELLTECH was an old stock that was in a lot of his clientele's accounts. He has never sold any new stock since working at JBOC.

[REDACTED] stated that he does not know of IRVING KOTT suggesting or promoting any securities or specific stocks at JBOC. Some stocks have been "mentioned", such as the IPO (LEGACY SOFTWARE), but there is never any straight, specific push. He has never been given any sales scripts to promote any companies. He has never been instructed to discourage customers from selling, but they are encouraged to only sell to their clients stocks that they intend to hold on to for a while. This is not something they have to do, but "if it's something coincidental, it's okay".

[REDACTED] stated that IRVING KOTT has presented new commercials at sales meetings in the past. He talked about the firm in general and growth aspects of JBOC. The last sales meeting he attended with IRVING KOTT was a little over a year ago.

[REDACTED] said that [REDACTED] is the [REDACTED] of JBOC. He does not know b6 b7C if he reports to IRVING KOTT. He is unaware of any improper or questionable activity involving trading and management or brokers and traders at JBOC. The typical customer complaints that he hears about are slow executions and market conditions.

Finally, [REDACTED] stated that he had never been asked by KOTT or anyone else at JBOC to promote stocks based on unreported press releases nor had he been asked to trade J. B. OXFORD HOLDING stocks on insider information. [REDACTED] provided the following identifying information both verbally and from his California Drivers License (CDL).

NAME:

ADDRESS:

HOME TELEPHONE:

CDL #:

DOB:

SSAN:

HEIGHT:

WEIGHT:

SEX:

EYES/HAIR:

5'-8"

160 lbs

Male

Blue/Blonde

b6
b7C

1911-12-303078-302-33

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 22 1907	
FBI - LOS ANGELES	
[MS]	

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/21/97

On August 19, 1997 Special Agent (SA) [redacted] FBI, Los Angeles, interviewed [redacted] at his place of employment, J. B. OXFORD COMPANY (JBOC), 9665 Wilshire Boulevard, Suite 300, Los Angeles, California. After being advised of the nature of the interview and the identity of the interviewing agent [redacted] provided the following information:

b6
b7C

[redacted] has been [redacted] at JBOC for approximately [redacted] He previously worked at [redacted] He was interviewed for this position by [redacted] His immediate supervisor is [redacted] His computer password is [redacted]

b6
b7C

[redacted] replied in the negative when asked about other storage facilities and his knowledge of TURRET CONSULTANTS, E.B.C. TRUST, ARABELLA S.A., OERI FINANCE, HARISTON CORPORATION, OPHTHALMIC IMAGING SYSTEMS, INC., LEGACY SOFTWARE, J. B. OXFORD HOLDINGS, SYNERGY RENEWABLE RESOURCES, INC./WESTERN AND PACIFIC, and CELLTECH.

[redacted] said that he does not know who [redacted] is, but his name is familiar. He is unaware of any improper or questionable activity involving trading and management or brokers and traders at JBOC.

Finally, [redacted] stated that he had never been asked by KOTT or anyone else at JBOC to promote stocks based on unreported press releases nor had he been asked to trade J. B. OXFORD HOLDING stocks on insider information [redacted] provided the following identifying information both verbally and from his California Drivers License (CDL).

NAME:
ADDRESS:

[redacted]
Los Angeles, California 90026

HOME TELEPHONE:
CDL #:
DOB/POB:
SSAN:
HEIGHT:
WEIGHT:

[redacted]
5'-9"
160 lbs

b6
b7C

Investigation on 8/19/97 at Los Angeles, CA

File # 196C-LA-208098 - 302-344

by SA [redacted] Date dictated

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

[redacted] 302"

196C-LA-208098

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Continuation of FD-302 of , On 8/19/97, Page 2

SEX:	Male
EYES:	Brown
HAIR:	Black

1968-44-388698-202-34

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 22 1997	
FBI - LOS ANGELES	

1155

SEARCHED	INDEXED
SERIALIZED	FILED
AUG	
FBI	
MSD	

196C-18-20098-22

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 27 1997	
FBI - LOS ANGELES	

11455

196C-4A-208078-302-37

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 22 1997	
FBI - LOS ANGELES	

100-44-30000-302-38

SEARCHED	INDEXED
SERIALIZED	FILED
SEP - 2 1997	
FBI - LOS ANGELES	

ms

196C- UA - 208878-302-37

SEARCHED	INDEXED
SERIALIZED	FILED
SEP - 2 1997	
FBI - LOS ANGELES	

MSS

196C-CA-30808-302-40

SEARCHED	INDEXED
SERIALIZED	FILED
SEP - 2 1997	
MS	

124 32

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/20/97

[redacted]
at J.B. Oxford & Company (JBOC), 9665 Wilshire Boulevard, Suite 211, date of birth [redacted] was interviewed at her place of employment. After being advised of the identity of the interviewing agent and the purpose of the interview [redacted] provided the following information:

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[redacted] began her employment at JBOC in [redacted] in the [redacted]. In [redacted] she moved to [redacted]. Her current position entails working with the [redacted] reports to [redacted].

A friend recommended [redacted] for her job at JBOC. [redacted] advised that she interviewed with [redacted] (no longer at JBOC) and [redacted] for the job. After interviewing, [redacted] was advised on the same day she had the job.

[redacted] advised that IRVING KOTT is the owner of JBOC. IRVING KOTT does not report to anyone, rather, he is the person to whom employees report. IRVING KOTT's office is on the 3rd floor at 9665 Wilshire Boulevard. IRVING KOTT is [redacted]. [redacted] advised that [redacted] is [redacted]. [redacted] thinks that IRVING KOTT has a say in the hiring and firing of employees, but was not sure.

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[redacted] advised that an employee by the name of [redacted] (Last Name Unknown) was IRVING KOTT's [redacted] (LNU) [redacted] IRVING KOTT.

[redacted] title is [redacted]. He is responsible for [redacted] reports to IRVING KOTT.

[redacted] did not know if IRVING KOTT or [redacted] (LNU) ever took any work home with them or if meetings were ever held at IRVING KOTT's residence. [redacted] was given no instructions

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b7C

Investigation on 8/19/97 at Beverly Hills, CA.

File # 196C-LA-208098 - 302-41

by SA [redacted]

Date dictated 8/20/97

196C-LA-208098

Continuation of FD-302 of [REDACTED], On 8/19/97, Page 2

about how to respond to inquiries about IRVING KOTT's status at JBOC.

[REDACTED] had no knowledge regarding off-site storage facilities for JBOC. The only storage facilities she was aware of were two black file drawers located in Suite 211 which she is responsible for maintaining. She advised that the two black file drawers contain both active files and non-active files for clients.

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[REDACTED] had no knowledge regarding TURRET CONSULTING, E.B.C. TRUST, ARABELLA S.A., OERI FINANCE, HARRISTON CORPORATION, OPHTHALMIC IMAGING SYSTEMS, INC., LEGACY SOFTWARE, J.B. OXFORD HOLDINGS (JBOH), SYNERGY RENEWABLE RESOURCES, WESTERN AND PACIFIC, or CELLTECH.

[REDACTED] had no knowledge about whether or not IRVING KOTT suggests or promotes any securities at JBOC. She had no knowledge about whether or not the sales staff has ever been instructed to push a specific stock. [REDACTED] has never seen any sales scripts. She had no knowledge regarding whether or not customers were discouraged from selling or if an effort was made to find a buyer within the firm to match any sell orders. [REDACTED] has never attended any sales meetings.

[REDACTED] is not aware of any improper or questionable activity involving trading and management at JBOC by [REDACTED] IRVING KOTT, or any other executives of JBOC or JBOH. She is also not aware of any improper activity involving the brokers or traders of JBOC.

[REDACTED] is not aware of any customer complaints other than customers being upset because of having to wait a long period of time to have their telephone calls answered. She was not aware of any complaints against herself or JBOC. [REDACTED] advised that she has never been asked by [REDACTED] or IRVING KOTT to promote stocks based on unreported press releases nor to trade JBOH stock based on insider information.

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The following information regarding [REDACTED] was obtained by personal observation and from [REDACTED]

Name:

Home Address:

Home Telephone:

196C-LA-208098

Continuation of FD-302 of , On 8/19/97, Page 3

b6
b7C

California Driver License:

Social Security Number:

Height:

5'3"

Weight:

125

Eyes:

Brown

Hair:

Brown

SEARCHED	INDEXED
SERIALIZED	FILED

1155

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/25/97

[redacted] Los Angeles, California 90069, home telephone [redacted] DOB [redacted]
[redacted] SSN [redacted] California driver's license [redacted]
was advised of the identity of the interviewing Agent and the purpose of the interview. The following information was provided:

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[redacted] has been employed with J.B. OXFORD HOLDINGS, INCORPORATED (J.B.), 9665 Wilshire Boulevard, Beverly Hills, California [redacted]. His position with the company is [redacted] which entitles [redacted]. He responded to an advertisement in the Los Angeles Times and was interviewed by [redacted] who [redacted] and [redacted]

[redacted] computer passwords are [redacted] and [redacted]

[redacted] knows that IRVING KOTT (KOTT) is [redacted]. He has seen him at J.B. approximately ten times and always with [redacted]. He does not think he is employed there.

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He stated that he read the article that was in TIME MAGAZINE regarding KOTT, but does not think he did anything.

[redacted] believes [redacted] to be [redacted]

[redacted] stated that [redacted] is [redacted] in charge of the on-line section of the company. He reports to [redacted]

He stated that he believes [redacted] makes all the final decisions and that he reports to shareholders.

He is not aware of any meetings held at KOTT's residence.

He does not know of any storage facilities for J.B. documents or files.

Investigation on 8/19/97 at Beverly Hills, CA

File # 196C-LA-208098 - 302-42

by SA [redacted]

Date dictated _____

b6
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196C-LA-208098

Continuation of FD-302 of [REDACTED], On 8/19/97, Page 2

He has never heard of TURRET CONSULTANTS, E.B.C Trust, ARABELLA S.A., OERI FINANCE, HARISTON CORPORATION, OPHTHALMIC IMAGING SYSTEMS, INCORPORATED, SYNERGY RENEWABLE RESOURCES INCORPORATED formerly known as WESTERN and PACIFIC, or CELLTECH.

b6
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[REDACTED] stated that LEGACY SOFTWARE (LEGACY) was an initial public offering (IPO) and that a few of LEGACY "guys" now work at J.B.

The only knowledge he had regarding J.B. OXFORD HOLDINGS is that it is the parent company.

He did not know of any securities that KOTT suggested or promoted at J.B.

He was never given any sales scripts to promote any of the above mentioned companies.

The only customer complaints he has heard are the typical complaints regarding the technical support for the computer on-line system.

[REDACTED] is not aware of any improper or questionable activity going on at J.B. Nor was he ever asked by KOTT or anyone else to promote stocks based on unreported press releases or ever traded any J.B. OXFORD HOLDINGS stock on insider information.

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1966- LA - 20809A-302-42

SEARCHED	INDEXED
SERIALIZED	FILED
SEP -	
1966	

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/25/97

[redacted] California
[redacted] home telephone [redacted] DOB [redacted] SSN [redacted]
[redacted] California driver's license [redacted] was advised of the
identity of the interviewing Agent and the purpose of the
interview. The following information was provided:

b6
b7c

[redacted] first started working at J.B. OXFORD HOLDINGS,
INCORPORATED (J.B.), 9665 Wilshire Boulevard, Beverly Hills,
California, [redacted] and then was [redacted]
[redacted] He was interviewed by [redacted] Presently he is
employed in the [redacted] but eventually would
like to be [redacted] He stated that the [redacted]
department is [redacted]

He advised that his computer passwords are [redacted]
[redacted] and [redacted]

[redacted] stated he does not know what IRVING KOTT (KOTT)
does or to whom he reports. He rarely see him and does not know
if he has an office.

[redacted] stated he spoke to [redacted] once
regarding a personal leg operation with another employee. He
does not know what she does, but has seen her speak with [redacted]
[redacted]

[redacted] stated that [redacted] is the [redacted]
[redacted] in the department. He believes he is either [redacted]
[redacted] of J.B. He stated that [redacted] reports to
[redacted]

[redacted] stated that [redacted] is [redacted] and handles
all the big problems that occur within the company. He does not
know who [redacted] reports to.

[redacted] has no knowledge of any meetings at KOTT's
residence or what is presented at sales meetings. He was never
given any instructions regarding what to tell people who inquire
about the status of KOTT at J.B.

b6
b7c

He said that there is a storage facility for J.B.

Investigation on 8/19/97 at Beverly Hills, CA

File # 196C-LA-208098 - 302-413

by SA [redacted] Date dictated

196C-LA-208098

Continuation of FD-302 of [REDACTED], On 8/19/97, Page 2 b6 b7C

documents or files but does not know where it is located. He believes that [REDACTED] (ph) is [REDACTED]

He has never heard of TURRET CONSULTING, E.B.C. TRUST, ARABELLA S.A., OERI FINANCE, HARISTON CORPORATION, OPHTHALMIC IMAGING SYSTEMS, INCORPORATED, SYNERGY RENEWABLE RESOURCES, or CELLTECH.

[REDACTED] has heard of LEGACY SOFTWARE but does not have any personal knowledge regarding the stock. All he knew about J.B.OXFORD HOLDINGS is that is has gone down since last quarter.

He was never given any sales scripts. Nor was ever asked by KOTT or anyone else to promote stocks based on unreported press releases or to trade any stock on insider information.

[REDACTED] stated that the complaints he has heard are basic complaints, i.e. fees and can not get on-line access. b6 b7C

He is not aware of any questionable activity going on with the company.

196A-1A-000078-302-43

SEARCHED	INDEXED
SERIALIZED	FILED
SEP - 2 1997	
FBI - LOS ANGELES	

11/55

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FEDERAL BUREAU OF INVESTIGATION

OTHER Per Sealing Order

Date of transcription 08/20/1997

On [redacted] a Federal Search Warrant issued by the
U.S. District Court, Central District of California, [redacted]
[redacted]

A rough sketch of [redacted] was made prior to the search of the
[redacted]

Attached hereto is a copy of the rough sketch that was
made by the interviewing agent. The original rough sketch was
placed into a 1A envelope.

Investigation on [redacted] at Beverly Hills, CA

File # 196C-LA-208098 - 302-44

OTHER Per Sealing Order

by SA [redacted] Date dictated 08/20/1997

b6
b7C

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/20/1997

[redacted] date of birth [redacted]
social security number [redacted] California driver's license
number [redacted] home telephone number [redacted] home
address [redacted] California [redacted]
was interviewed at his place of business, J.B. OXFORD AND COMPANY
(JBOC), 9556 Wilshire Boulevard, Suite 888, Beverly Hills,
California. After being advised of the identity of the agent and
the purpose of the interview, he furnished the following
information:

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[redacted] has been with the company for [redacted] For the
last [redacted] he has worked as an [redacted] Prior to that
time, he worked as a [redacted] When he
initially interviewed with the company, [redacted] was the
interviewer. [redacted] is still [redacted] at the company. In his
current assignment, [redacted] reports to [redacted]

[redacted] believes that IRVING KOTT is employed as a
consultant to JBOC. [redacted] received no instructions regarding
what to tell people who inquired about KOTT's status at JBOC.
[redacted] does not know what role [redacted] has at
the company. [redacted] had not heard of TURRET CONSULTING or any
of the companies listed in the search warrant questionnaire,
except for J.B. OXFORD HOLDINGS, which he believed to be the
parent company of JBOC. [redacted] is the [redacted]
[redacted] of JBOC.

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[redacted] stated that [redacted] in the
suite were not involved in making any calls to clients attempting
to sell shares in any particular companies. [redacted] did
receive research information from FIRST BOSTON EQUITY TRADERS,
which they would use in deciding what positions [redacted]
[redacted]

[redacted] was not aware of any improper activities at
the company involving KOTT or other JBOC executives, brokers or
traders.

Investigation on 08/19/1997 at Beverly Hills, CAFile # 196C-LA-208098 - 302-45by SA [redacted] Date dictated 08/20/1997b6
b7C

196C-LA-208098-302-45

SEARCHED	INDEXED
SERIALIZED	FILED
SEP - 2 1997	
FBI - LOS ANGELES	
MJS	

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/20/1997

[redacted] date of birth [redacted] social
security number [redacted] home address [redacted]
[redacted] California [redacted] was
interviewed at his place of business, J.B. OXFORD AND COMPANY
(JBOC), 9556 Wilshire Boulevard, Suite 888, Beverly Hills,
California. After being advised of the identity of the agent and
the purpose of the interview, he furnished the following
information:

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[redacted] has been employed at the company for [redacted]
The past [redacted] he has been working as an [redacted]
reporting to [redacted] Prior to holding that position,
[redacted] served as an [redacted] He was initially
interviewed for the job by [redacted] who was at that time the
[redacted] At that time [redacted]

[redacted] believes that IRVING KOTT is an advisor to the
company and works with advertising or marketing of the company.
[redacted] has never seen KOTT involved in hiring or firing at the
company, but has heard rumors that KOTT may have a hand in such
matters. [redacted] is KOTT's [redacted]
[redacted] is the [redacted] of operations and reports
to [redacted] who is the [redacted] does
not believe that [redacted] reports to IRVING KOTT. [redacted] is
aware that JBOC has dealings with HAIRSTON CORPORATION and LEGACY
SOFTWARE, but those stocks trade on the NASDAQ exchange, and
[redacted] works solely on the New York Stock Exchange. Also,
[redacted] stated that J.B. OXFORD HOLDINGS is the company stock for
JBOC, but had no further information on it. [redacted] had not heard
of OERI FINANCE, but believed that [redacted] was recently
[redacted] had not heard
of TURRET CONSULTING or any of the other companies listed on the
search warrant questionnaire.

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[redacted] was not aware of any improper or questionable
activities at JBOC by IRVING KOTT or any other JBOC executives,
brokers or traders.

Investigation on 08/19/1997 at Beverly Hills, CAFile # 196C-LA-208098-302-46by SA [redacted] Date dictated 08/20/1997b6
b7C

196C-LA-208098-302-46

SEARCHED	INDEXED
SERIALIZED	FILED
SEP - 2 1997	
FBI - LOS ANGELES	
1785	

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/20/1997

[redacted] date of birth [redacted] social security number [redacted] home telephone number [redacted] home address [redacted] California [redacted] was interviewed at his place of business, J.B. OXFORD AND COMPANY (JBOC), 9556 Wilshire Boulevard, Suite 888, Beverly Hills, California. After being advised of the identity of the agent and the purpose of the interview, he furnished the following information:

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[redacted] has been employed at the company as [redacted] since [redacted] He reports to, and was initially interviewed by, [redacted] Prior to that time, [redacted] worked for [redacted] on [redacted]

IRVING KOTT is said to be merely a consultant of JBOC, but [redacted] believes he has a much larger role. KOTT is physically located at the JBOC offices "all the time" and, based on what [redacted] has heard around the office, KOTT "runs the show". [redacted] referred to KOTT as "a shadowy figure" who has a strong influence over hiring and firing at JBOC, but has not seen direct evidence of this control. [redacted] doubts that anyone that KOTT disapproved of would be hired over KOTT's objection. [redacted] was never given instructions on what to say if someone inquired about KOTT's status at JBOC, but most employees tried not to say anything about KOTT to clients due to the notoriety brought on by the Time Magazine article.

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[redacted] believes, [redacted] at JBOC. MURPHY has not heard of [redacted] [redacted] is the [redacted] of the firm, but [redacted] is not certain if IRVING KOTT reports to [redacted] or if it is the other way around.

[redacted] was not familiar with any of the companies noted on the search warrant questionnaire, except for J.B. OXFORD HOLDINGS, which he believed was the parent company of JBOC. [redacted] was not aware of any improper or questionable activity involving IRVING KOTT or any JBOC executives, brokers or traders.

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b7C

Investigation on 08/19/1997 at Beverly Hills, CA

File # 196C-LA-208098 - 302-49

by SA [redacted] Date dictated 08/20/1997

196C-LA-20800-302-47

SEARCHED	INDEXED
SERIALIZED	FILED
SEP - 2 1997	
FBI - LOS ANGELES	
1985	

196C-LA-208098

MHC:mhc *MC*

1

OTHER Per Sealing Order

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The following investigation was conducted on [redacted] by
SA [redacted] at [redacted]
[redacted]

During the execution of a search warrant at the above
address, the following individuals were interviewed. According to
[redacted]

identified as follows:

[redacted]

[redacted]

[redacted]

196C-LA-208098-302-4/8

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/21/97

OTHER Per Sealing Order

On [redacted] Agents executed a search warrant on various offices of [redacted]
[redacted] While searching
[redacted] where the [redacted] are located it was learned that
[redacted] SA [redacted] called ASSISTANT U.S. ATTORNEY (AUSA) [redacted] and
said that the [redacted] was willing to sign a
consent to search form. Further, they agreed to locate and surrender the particular items
requested. AUSA [redacted] said that if the [redacted]
[redacted]

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[redacted] asked SA [redacted] to have her boss sign the consent to search form.
Her boss is [redacted] SA [redacted] and SA [redacted] went to
[redacted] explained the situation, and [redacted]
[redacted]

OTHER Per Sealing Order

SAs [redacted] and [redacted] went to [redacted]
[redacted] with [redacted]
[redacted] and [redacted] and [redacted]
searched for items while agents [redacted] and [redacted]
surrendered the following items to agents:

[redacted]

[redacted]

Investigation on [redacted] at Beverly Hills, CAFile # 196C-LA-208098 *37B-849*

by SA [redacted]

SA [redacted]

Date dictated [redacted]

b6
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JBOK-602-302

196C-LA-208098

Continuation of FD-302 of _____, On , Page 2

OTHER Per Sealing Order

196C-LA-202778-302

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI - LOS ANGELES	

49

ms

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/20/97

[redacted] at J.B. Oxford & Company (JBOC), 9665 Wilshire Boulevard, Suite 211, date of birth [redacted] was interviewed at his place of employment. After being advised of the identity of the interviewing agent and the purpose of the interview [redacted] provided the following information:

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[redacted] graduated from [redacted] in [redacted]. He worked at [redacted] and [redacted] before being hired as an as an [redacted] in [redacted] at JBOC. [redacted] reports to [redacted] [redacted] is responsible for [redacted]

[redacted] advised that he obtained his job at JBOC after sending a copy of his resume to Human Resources. He interviewed with [redacted] and was told by [redacted] during the interview that he had the job.

[redacted] does not know IRVING KOTT. He has IRVING KOTT's name but did not know his function. He did not know if IRVING KOTT reported to anyone or if he had an office at office at 9665 Wilshire Boulevard. He did not know if IRVING KOTT had a say in the hiring and firing of employees.

[redacted] did not know anyone by the name of [redacted]
[redacted]

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b7c

[redacted] delegates responsibility, but [redacted] does not deal with him. [redacted] did not know to whom [redacted] reported. He has heard the name [redacted] but does not know him. [redacted] did not know [redacted] responsibilities or if he reported to IRVING KOTT.

[redacted] did not know if IRVING KOTT or [redacted] ever took any work home with them or if meetings were ever held at IRVING KOTT's residence. [redacted] was given no instructions about how to respond to inquiries about IRVING KOTT's status at JBOC.

Investigation on 8/19/97 at Beverly Hills, CA.

File # 196C-LA-208098 - 302 - 50

by SA [redacted]

Date dictated 8/20/97

b6
b7c

196C-LA-208098

Continuation of FD-302 of [REDACTED]

, On 8/19/97, Page 2

[REDACTED] had no knowledge regarding storage facilities for JBOC. He also had no knowledge regarding TURRET CONSULTING, E.B.C. TRUST, ARABELLA S.A., OERI FINANCE, HARRISTON CORPORATION, OPHTHALMIC IMAGING SYSTEMS, INC., LEGACY SOFTWARE, J.B. OXFORD HOLDINGS (JBOH), SYNERGY RENEWABLE RESOURCES, WESTERN AND PACIFIC, or CELLTECH. b6 b7c

[REDACTED] had no knowledge whether or not IRVING KOTT suggests or promotes any securities at JBOC. He stated that the sales staff has never been instructed to push a specific stock. [REDACTED] was never given a sales script to promote any particular stocks. He has never been instructed to discourage customers from selling or to find a buyer within the firm to match any sell orders.

[REDACTED] has never attended any sales meetings. [REDACTED] is not aware of any improper or questionable activity involving trading and management at JBOC by [REDACTED] IRVING KOTT, or any other executives of JBOC or JBOH. He is also not aware of any improper activity involving the brokers or traders of JBOC.

[REDACTED] is not aware of any customer complaints other than customers being upset about slow market executions. [REDACTED] advised that he has never been asked by [REDACTED] or IRVING KOTT to promote stocks based on unreported press releases nor to trade JBOH stock based on insider information. b6 b7c

The following information regarding [REDACTED] was obtained by personal observation and from [REDACTED]

Name:

Home Address:

Home Telephone:

California Driver License:

Social Security Number:

Height:

5'9"

Weight:

230

196C-LA-208098

Continuation of FD-302 of

[Redacted]

, On 8/19/97

, Page

3

b6

b7C

Eyes:

Blue

Hair:

Brown

PLU-11-208018-302-50

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 2 1997	
FBI - LOS ANGELES	

MDS

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/20/97

[redacted] at J.B. Oxford & Company (JBOC), 9665 Wilshire Boulevard, Suite 211, telephone [redacted] date of birth [redacted] was interviewed at her place of employment. After being advised of the identity of the interviewing agent and the purpose of the interview [redacted] provided the following information:

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b7c

[redacted] has been employed in the brokerage industry since [redacted] resided in [redacted] from [redacted] where she was employed by approximately [redacted]. In [redacted] she was transferred by [redacted] was last employed by [redacted] before being hired by JBOC in [redacted] as a [redacted].

[redacted] advised that she became employed by JBOC [redacted]. She interviewed with [redacted] for the job. After interviewing, either [redacted] or human resources informed her that she had the job.

[redacted] did not know IRVING KOTT's responsibility at JBOC or if he reported to anyone. [redacted] is not sure if IRVING KOTT has an office at 9665 Wilshire Boulevard. [redacted] stated that talk around the office made her feel that IRVING KOTT was an "important" person at JBOC. [redacted] has only seen IRVING KOTT a few times. She recalled that on one occasion he was showing someone around Suite 211. To her knowledge, IRVING KOTT does not have a say in the hiring and firing of employees. [redacted] was told by another employee, [redacted] that IRVING KOTT was a consultant.

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b7c

[redacted] did not know anyone by the name of [redacted]

[redacted] title is [redacted]. He is responsible for the Online Electronic Trading Division and has overall responsibility for the Operating Division. [redacted] did not know to whom [redacted] reported, but felt that it might be [redacted]. She advised that [redacted] is the [redacted].

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b7c

Investigation on 8/19/97 at Beverly Hills, CA.

File # 196C-LA-208098-302-56

by SA [redacted]

Date dictated 8/20/97

196C-LA-208098

Continuation of FD-302 of [redacted], On 8/19/97, Page 2

[redacted] of JBOC. [redacted] did not know [redacted] responsibilities or if he reported to IRVING KOTT.

[redacted] did not know if IRVING KOTT or [redacted] ever took any work home with them or if meeting were ever held at IRVING KOTT's residence. [redacted] was given no instructions about how to respond to inquiries about IRVING KOTT's status at JBOC.

b6
b7c

[redacted] had no knowledge regarding storage facilities for JBOC. She advised that she contacts [redacted] when she [redacted]

[redacted] had no knowledge regarding TURRET CONSULTING, E.B.C. TRUST, ARABELLA S.A., OERI FINANCE, HARRISTON CORPORATION, OPHTHALMIC IMAGING SYSTEMS, INC., LEGACY SOFTWARE, J.B. OXFORD HOLDINGS (JBOH), WESTERN AND PACIFIC, or CELLTECH. She recalled that either SYNERGY RENEWABLE RESOURCES or SYNERGY was a stock that her company was trading.

[redacted] advised that IRVING KOTT does not suggest or promote any securities at JBOC. She stated that the sales staff has never been instructed to push a specific stock. [redacted] was never given a sales script to promote any particular stocks. She has never been instructed to discourage customers from selling or to find a buyer within the firm to match any sell orders.

[redacted] advised that she attends monthly meetings held by [redacted]. She advised that the meeting are organizational in nature. She explained that they generally discuss in what direction the company is moving. They also get to discuss particular needs such as modifying computer screens or requesting manuals. [redacted] has not attended any meetings held by IRVING KOTT.

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[redacted] is not aware of any improper or questionable activity involving trading and management at JBOC by [redacted] IRVING KOTT, or any other executives of JBOC or JBOH. She is also not aware of any improper activity involving the brokers or traders of JBOC.

[redacted] is not aware of any customer complaints other than customers being upset because of having to wait a long period of time to have their telephone calls answered. She was not aware of any complaints against herself or JBOC. [redacted] advised that she has never been asked by [redacted] or IRVING KOTT to promote stocks based on

196C-LA-208098

Continuation of FD-302 of [REDACTED], On 8/19/97, Page 3

unreported press releases nor to trade JBOH stock based on insider information.

The following information regarding [REDACTED] was obtained by personal observation and from [REDACTED]

Name:

[REDACTED]

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b7C

Home Address:

[REDACTED]

California

Home Telephone:

[REDACTED]

California Driver License:

Social Security Number:

Height:

5'4"

Weight:

127

Eyes:

Blue

Hair:

Brown

196C-CA-208098-302-51

SEARCHED	INDEXED
SERIALIZED	FILED
JUN - 2 1997	
FBI - LOS ANGELES	

196C-LA-208098

MHK/mhk *mk*

OTHER Per Sealing Order

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On [redacted] SA [redacted] was present at
the offices of [redacted]
[redacted] in connection with the execution
of a Federal search warrant at that location.

[redacted]

[redacted]

[redacted]

[redacted]

196C-WA-208098

MJS

SEARCHED	INDEXED
SERIALIZED	FILED
SEP - 5 1997	
FBI - LOS ANGELES	

196C-LA 208018-20753

SEARCHED	INDEXED
SERIALIZED	FILED
SEP - 5 1997	
FBI - LOS ANGELES	

196C-LA-208098-302-S4.

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 1968	
FBI - LOS ANGELES	

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- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/19/97

Date of birth [redacted]

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[redacted] Social Security Account Number, [redacted]

[redacted] California [redacted] telephone number, [redacted]

[redacted] was advised of the official identity of the interviewing agent and the nature of the interview. [redacted] voluntarily provided the following information:

[redacted] advised that she heard about J.B. OXFORD (JB) through her friend, [redacted] JB is a stock brokerage firm.

[redacted] was the [redacted] left JB because [redacted]

During [redacted] began employment with JB on a temporary basis, during which time she was [redacted] to [redacted] did not interview for that temporary position. [redacted] was responsible for filing, faxing, and inputting computer data. She reported to [redacted] [redacted] was supervised by [redacted]

[redacted] is the [redacted] He oversees the brokers and periodically meets with them. [redacted] has not attended any of those meetings. Some of the brokers have told [redacted] that [redacted] has stressed to them that they should work more hours, and make more cold calls to obtain additional clients.

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[redacted] became [redacted] of JB during approximately [redacted] filled out various employment forms to become a permanent employee. She replaced [redacted] as [redacted]

[redacted] advised that she is the liaison between the support and brokers. She described her position as that of a problem solver. The support employees include new accounts, purchase, sales, and traders. She said that if there any problems with the paperwork, she is responsible for addressing the nature of the problem. [redacted] receives new client information from the brokers in order to activate their accounts.

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[redacted] was advised by [redacted] that IRVING KOTT is

Investigation on 8/19/97 at Beverly Hills, CA

File # 196C-LA-208098 - 302-55

by SA [redacted]

Date dictated



203

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SEARCHED	INDEXED
SERIALIZED	FILED
AUG 25 1991	
FBI-LOS ANGELES	

Py

196C-LA-208098

Continuation of FD-302 of [REDACTED], On 8/19/97, Page 2

a consultant for JB. [REDACTED] said that KOTT had prior experience with brokerage firms. [REDACTED] has not met him. [REDACTED] did not know what responsibilities KOTT had or who he reports to within JB. b6 b7c

[REDACTED] was not aware of KOTT having any responsibility in the hiring process at JB. She said that was the function of [REDACTED] who works [REDACTED]

[REDACTED] has an office [REDACTED] of JB. His office is [REDACTED] did not know who [REDACTED] reports to at JB.

[REDACTED] advised that there is a temporary office at JB that different branch managers periodically occupy. She has seen [REDACTED] and [REDACTED] periodically in that office. [REDACTED] has also seen individuals who were possibly from the correspondent firms of JB in that office. [REDACTED] did not know the title of [REDACTED]

[REDACTED] is responsible for handling the error accounts. JB has a specific account for that purpose. [REDACTED] does not know who [REDACTED] reports to, however she is often meeting with the executives, including [REDACTED] and [REDACTED] [REDACTED] is the controller for JB. b6 b7c

[REDACTED] was unaware of any meetings that were held at the residence of IRVING KOTT. She did not know if IRVING KOTT or [REDACTED] have taken work home with them.

[REDACTED] was unfamiliar with TURRET CONSULTANTS, E.B.C. TRUST, ARABELLA S.A., OERI FINANCE, HARISTON CORPORATION, OPHTHALMIC IMAGING SYSTEMS, INC., J.B. OXFORD HOLDINGS, SYNERGY RENEWABLE RESOURCES, INC., formerly known as WESTERN & PACIFIC, CELLTECH. [REDACTED] said she recalled a reference to LEGACY SOFTWARE in a TIMES article about JB.

Subsequent to the publication of the TIMES article, [REDACTED] addressed the JB brokers. He told them during that meeting if customers ask about IRVING KOTT, to advise them that KOTT was a consultant for JB, and he was not running the company. [REDACTED] also overheard [REDACTED] comment to a few brokers after that TIMES article, in regards to a specific stock being emphasized over others, "I don't play that shit." [REDACTED] did not know what stock [REDACTED] was discussing when she overheard that comment. b6 b7c

[REDACTED] has heard [REDACTED] emphasizing to the brokers to

196C-LA-208098

Continuation of FD-302 of [redacted], On 8/19/97, Page 3 b6 b7C

sell mutual funds and bonds. She has not heard the brokers discouraging the customers from selling orders.

[redacted] indicated that although JB promotes itself as a full brokerage firm, most of the brokers seem to solely take the customers orders. She was unaware of any improper activity by the brokers or traders.

[redacted] is the [redacted] did not know who he is responsible to within JB. She was unaware of whether [redacted] reported to IRVING KOTT.

[redacted] said that any customer complaints would be handled by [redacted]. He is responsible for [redacted]. [redacted] rarely talks to the customers.

The brokers are paid twenty dollars (\$20.00) per trade. There are approximately thirty five to forty brokers. The highest paid broker is [redacted]. She has been with JB for [redacted].

The computer password of [redacted] is [redacted]

[redacted] is described as follows:

Sex: Female

Race:

Date of Birth:

Social Security:

Account Number:

California Drivers

License Number:

Height: 5'5"

Weight: 150 pounds

Eyes: Brown

Hair: Brown

Address:

California

Telephone Number

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196C-LA-208018-22-35

SEARCHED	INDEXED
SERIALIZED	FILED
SEP - 2 1997	
FBI - LOS ANGELES	

- 1 -

FEDERAL BUREAU OF INVESTIGATION

[redacted] Date of transcription 8/19/97
[redacted] date of birth. [redacted]
Social Security Account Number, [redacted]
Los Angeles, CA 90004, telephone number, [redacted] was
advised of the official identity of the interviewing agent and
the nature of the interview. [redacted] voluntarily provided the
following information:

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[redacted] advised that she is employed [redacted]
[redacted] located in Beverly Hills, California.
She has been assigned as a [redacted] for J.B. OXFORD (JB),
during the [redacted] did not interview with anyone
from JB. She does not know the name of the JB president. [redacted]
was unfamiliar with IRVING KOTT.

JB is a stock brokerage firm. Approximately [redacted]
[redacted] briefly worked at JB as a [redacted] During
that time she was assigned to the [redacted] which
was located on the [redacted] primarily [redacted]
while she was assigned [redacted]

The current supervisor of [redacted] is [redacted]
[redacted] is responsible for contacting the mutual fund companies
that the traders are purchasing shares from, and sending a letter
of verification to that company.

[redacted] saw the name of [redacted] on an office
telephone list at JB. The telephone list did not specify the
position of [redacted]

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[redacted] also saw the name of [redacted] listed on an office
telephone listing. He was listed under the executive section of
the telephone listing. [redacted] has heard [redacted] being paged through
the office paging system.

[redacted] did not know whether JB had any storage
facilities.

[redacted] was unfamiliar with EBC TRUST, ARABELLA S.A., OERI
FINANCE, HARISTON CORPORATION, OPHTHALMIC IMAGING SYSTEMS, INC.,
LEGACY SOFTWARE, J.B. OXFORD HOLDINGS, CELLTECH, and SYNERGY
RENEWABLE RESOURCES, formerly known as WESTERN & PACIFIC.

Investigation on 8/19/97 at Beverly Hills, CA

File # 196C-LA-208098-302-56

by SA [redacted] Date dictated [redacted]

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Continuation of FD-302 of [redacted], On 8/19/97, Page 2

[redacted] has not attended any brokers meetings. Nor has she overheard any of their discussions.

[redacted] was unaware of any questionable activity at JB.

[redacted] is described as follows:

b6
b7C

Sex: Female
Height: 5'5"
Weight: 240 pounds
Eyes: Brown
Hair: Brown
Date of Birth: [redacted]
Social Security
Account Number: [redacted]
Address: [redacted] Los Angeles, CA 90004
Telephone Number: [redacted]

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/20/97

date of birth [redacted]

[redacted] Social Security Account Number, [redacted]

[redacted] Los Angeles, California 90024, telephone number, [redacted] was advised of the official identity of the interviewing agent and the nature of the interview.

[redacted] voluntarily provided the following information:

[redacted] advised that he has been [redacted] for J.B. OXFORD (JB) for the [redacted] Prior to that he was a [redacted] for approximately the same amount of time. [redacted] has about [redacted] clients, and handles approximately [redacted] in sales. He [redacted]

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[redacted] where he was formerly employed. [redacted]

[redacted] and [redacted]

[redacted] about [redacted] and hired about half of them. [redacted] is responsible for hiring the [redacted] [redacted] is also responsible for the [redacted]

[redacted] has previously worked as [redacted] Beverly Hills, California, and [redacted] California.

[redacted] was interviewed by [redacted] and [redacted] when he applied for a position with [redacted] previously worked with [redacted] and [redacted] at [redacted] who informed him about an available position at JB. They are no longer with JB. [redacted] resigned from JB due to improper trading activity. [redacted] was unaware of the specific details associated with his resignation.

IRVING KOTT is employed as a marketing consultant for JB. [redacted] was informed by [redacted] of KOTT's position, during a meeting or through a memo. That information was provided approximately nine months ago, subsequent to the publication of a Times article about KOTT. [redacted] is the [redacted] of JB. [redacted] reports to the [redacted] He ensures that JB is profitable and follows the rules.

b6
b7c

Investigation on 8/19/97 at Beverly Hills, CA

File # 196C-LA-208098 - 302-37

by SA [redacted] Date dictated [redacted]

196C-LA-208098

Continuation of FD-302 of [REDACTED]

, On 8/19/97, Page 2 b6 b7C

[REDACTED] told [REDACTED] that a letter had been filed with the Securities Exchange advising them of the position of KOTT, who approved of his marketing position. Additionally, KOTT also told [REDACTED] that [REDACTED] was unaware of KOTT being involved with the hiring process at JB.

IRVING KOTT works from a corner office on the third floor. ON-LINE, one of the contracting companies of JB, occasionally works from that office. ON-LINE had between five to ten employees.

[REDACTED] appears to be a consultant for JB. [REDACTED] was not certain of her position within JB. She associates with [REDACTED] IRVING KOTT, and [REDACTED] did not know the specific title of [REDACTED]

There are approximately [REDACTED] [REDACTED] advised that IRVING KOTT has attended a few of those meetings. [REDACTED] said that various topics, including the production level at JB and advertising campaign are discussed at those meetings.

[REDACTED] indicated that he has not seen IRVING KOTT very frequently during the past three to six months. [REDACTED] heard from someone that he might be working in Canada. b6 b7C

[REDACTED] did not know if IRVING KOTT or [REDACTED] have taken work home with them.

[REDACTED] attended [REDACTED] approximately [REDACTED] at a home in [REDACTED] which was the [REDACTED] The meeting was held at the request of [REDACTED] IRVING KOTT, [REDACTED] the [REDACTED] and a marketing consultant, all attended that meeting. The topics discussed included the advertising campaign and trading.

[REDACTED] has seen [REDACTED] participate in meetings with [REDACTED]

[REDACTED] has been the [REDACTED] for JB during the past [REDACTED] has been with JB for a total of [REDACTED] b6 b7C

Prior to becoming the [REDACTED] of JB, [REDACTED] also worked in the [REDACTED] and [REDACTED] He travels to the [REDACTED]

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Continuation of FD-302 of [REDACTED]

, On 8/19/97, Page 3 b6
b7C

reports about the overall production level to those offices.

JB maintains historical business records approximately three blocks away on Wilshire Boulevard. The records stored there, include trading tickets, and maintenance calls go back approximately six years. [REDACTED] indicated that [REDACTED] would have information relative to that storage facility.

[REDACTED] did not have any information relative to TURRET CONSULTING, E.B.C. TRUST, ARABELLA S.A., and SYNERGY RENEWABLE RESOURCES, INC., formerly known as WESTERN AND PACIFIC.

In regards to OERT FINANCE, [REDACTED] is a [REDACTED] of JB. [REDACTED] has met him on one occasion.

HARISTON CORPORATION, and CELLTECH had correspondent firms that cleared their stocks through JB.

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JB did the initial public offering of stock for LEGACY SOFTWARE (LEGACY), approximately one year ago. LEGACY is a software company that specializes in educational software. [REDACTED] recalled reviewing a prospectus relative to LEGACY. The LEGACY stock started out strong, however interest has waned.

OPHTHALMIC IMAGING SYSTEMS, INC. (OPHTHALMIC) was going to be a market making stock, however [REDACTED] was unaware of that actually taking place.

J.B. OXFORD HOLDING is the parent company of JB and is based in Utah. [REDACTED] read that information in the 10K report.

JB employee, [REDACTED] wrote summaries of stocks which were utilized by the brokers in providing information to their clients. [REDACTED] has not received any reports from him in about six months. [REDACTED] recalled seeing a research report for OPHTHALMIC. There was also possibly a research report for LEGACY.

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[REDACTED] advised that the only stock [REDACTED] since the initial public offering was being held. He indicated that finding a buyer within the firm to match sell orders is not something that is forced within the company.

[REDACTED] was unaware of any improper or questionable activity by management or the traders at JB or by KOTF. He advised that [REDACTED] was involved with somewhat unauthorized

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Continuation of FD-302 of [redacted], On 8/19/97, Page 4

trades and was fired about three months ago.

Customer complaints are handled by [redacted] in charge of compliance, and [redacted] the [redacted] was involved with one written complaint of an employee, NAME UNKNOWN.

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[redacted] is described as follows:

Sex: Male
Date of Birth: [redacted]
Social Security: [redacted]
Account Number: [redacted]
California Drivers License Number: [redacted]
Height: 6'2"
Weight: 195 pounds
Eyes: Blue
Hair: Brown
Address: [redacted]
Los Angeles, CA 90024
Telephone Number: [redacted]

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SEARCHED	INDEXED
SERIALIZED	FILED
SFJ - 2 1097	
FBI - LOS ANGELES	

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/21/97

[redacted] date of birth [redacted] address [redacted] Los Angeles, California 90025, was interviewed at his place of employment, J.B. OXFORD and COMPANY, 9665 Wilshire Boulevard, 3rd Floor, Beverly Hills, California. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

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[redacted] provided the interviewing agent with his California Driver's License, number [redacted] and his Social Security Card, number [redacted]

[redacted] is a [redacted] and has worked at J.B. OXFORD for approximately [redacted]. He started as an [redacted] and was employed in this position for [redacted]. Prior to working at J.B. OXFORD, [redacted] was an [redacted] at [redacted] which later became [redacted]. He has been working in the securities industry for approximately [redacted].

[redacted] is [redacted] immediate supervisor and the [redacted] is [redacted] interviewed and ultimately hired [redacted] for his job at J.B. OXFORD. One of [redacted] friends, [redacted] recommended him for an interview. [redacted] is no longer with J.B. OXFORD, and left this employment in November or December 1996.

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[redacted] has heard the name IRVING KOTT before. Someone mentioned that KOTT was associated with J.B. OXFORD at one time. He heard this information probably about a year ago. [redacted] does not know about KOTT's specific responsibilities at the firm or who he reports to. He does not know where KOTT's office is located.

[redacted] is not familiar with anyone by the name [redacted] is an employee that [redacted] has met before and has seen in passing. He does not know what [redacted] responsibilities are.

[redacted] has no knowledge of any meetings held at [redacted]

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b7C

Investigation on 8/19/97 at Beverly Hills, California

File # 196C-LA-208098 SUB 302 -58

by SA [redacted] Date dictated 8/21/97

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Continuation of FD-302 of [REDACTED]

, On 8/19/97

, Page 2

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IRVING KOTT's residence and was not given any instructions regarding what to tell people who inquire about KOTT's status at J.B. OXFORD. [REDACTED] has no knowledge of any offsite storage facilities and is not familiar with the following names: TURRET CONSULTING, E.B.C. TRUST, ARABELLA S.A., and OERI FINANCE.

[REDACTED] knows that HARISTON CORPORATION is a publicly traded company and the name OPHTHALMIC IMAGING SYSTEMS, INC. is vaguely familiar. LEGACY SOFTWARE was an IPO that J.B. OXFORD took out. One of [REDACTED] clients picked up some of the stock and traded it once. It was an education software company. J.B. OXFORD HOLDINGS is a clearing firm and J.B. OXFORD's parent company. He has never heard of SYNERGY RENEWABLE RESOURCES, INC. or CELLTECH.

[REDACTED] has no knowledge of IRVING KOTT promoting any stocks at J.B. OXFORD. He has never been given sales scripts to promote the above mentioned companies, and has received no instructions regarding discouraging customers from selling certain stocks. [REDACTED] has no knowledge of any questionable trading activity at J.B. OXFORD and was never requested to promote stocks based on unreported press releases.

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b7C

[REDACTED] is the [REDACTED] of J.B. OXFORD and COMPANY. [REDACTED] has never met him and does not know if he reports to IRVING KOTT.

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SEARCHED	INDEXED
SERIALIZED	FILED
AUG 25 1997	
FBI-LOS ANGELES	

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/21/97

[redacted] date of birth [redacted] address [redacted] California [redacted] was interviewed at his place of employment, J.B. OXFORD and COMPANY, 9665 Wilshire Boulevard, 3rd Floor, Beverly Hills, California. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

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[redacted] advised the interviewing agent that his Social Security Number is [redacted]

[redacted] is a [redacted] and has worked at J.B. OXFORD for approximately [redacted]. He started as [redacted] and was employed in this position for [redacted]. Prior to working at J.B. OXFORD, [redacted] was an broker for [redacted] at [redacted] and was an [redacted] for [redacted].

[redacted] is [redacted] immediate supervisor and [redacted] interviewed and ultimately hired [redacted] for his job at J.B. OXFORD. [redacted] learned of the job through [redacted]. He graduated from there in [redacted] and the school makes job listings available to its graduates.

[redacted] has heard the name IRVING KOTT before and has met him [redacted]. The first time was [redacted] after he began working at J.B. OXFORD. [redacted]

[redacted] and KOTT [redacted]. KOTT asked [redacted] and also asked [redacted]. The [redacted] which is on the 3rd floor in the back. The [redacted] KOTT, he simply [redacted]. [redacted] does not know KOTT's title, but he knows that he is affiliated with J.B. OXFORD. [redacted]

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b7C

[redacted] which is fairly often. Usually only the [redacted]. It is [redacted] opinion that KOTT has [redacted] when it comes to the [redacted] although he does not know about other positions.

[redacted] is not familiar with anyone by the name [redacted] is an employee that [redacted]

Investigation on 8/19/97 at Beverly Hills, California

File # 196C-LA-208098 SUB 302-59

by SA [redacted]

Date dictated 8/21/97

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Continuation of FD-302 of [REDACTED], On 8/19/97, Page 2

[REDACTED] has heard of, but he does not know what [REDACTED] responsibilities are. [REDACTED] believes that [REDACTED] to IRVING KOTT.

[REDACTED] has no knowledge of any meetings held at IRVING KOTT's residence and was not given any instructions regarding what to tell people who inquire about KOTT's status at J.B. OXFORD. Even if [REDACTED] had received such instructions, he would feel uncomfortable lying to anyone about KOTT's status. He has seen the articles that were written about KOTT, but does not know anything other than what he read. [REDACTED] has no knowledge of any offsite storage facilities, but assumes that there must be some. Many of the records that the [REDACTED] produce must be stored for a certain number of years. [REDACTED] is not familiar with the following names: TURRET CONSULTING, E.B.C. TRUST, ARABELLA S.A., and OERI FINANCE. b6 b7C

[REDACTED] was never told anything about the HARISTON CORPORATION and has never heard of it. He was never told anything about OPHTHALMIC IMAGING SYSTEMS, INC., but knows that he never bought any stock and thought that it was worthless. This stock came out when [REDACTED] was [REDACTED]. LEGACY SOFTWARE was an IPO that J.B. OXFORD took out. The [REDACTED] of LEGACY is [REDACTED] who used to be a [REDACTED]. [REDACTED] worked at [REDACTED] knew of [REDACTED] products and liked them. This is how [REDACTED] heard most of the information about LEGACY. He advised his clients to buy and sell, and most of them made a lot of money before the stock fell. J.B. OXFORD HOLDINGS is a separate company from J.B. OXFORD and COMPANY, and [REDACTED] knows of the stock, but nothing specific. He has never heard of SYNERGY RENEWABLE RESOURCES, INC. or CELLTECH.

[REDACTED] has no knowledge of IRVING KOTT promoting any stocks at J.B. OXFORD and was never given sales scripts to promote the above mentioned companies, and has received no instructions regarding discouraging customers from selling certain stocks. With LEGACY SOFTWARE, everyone heard about it and wanted it, so there was no reason to push it. It was a hot issue. [REDACTED] has no knowledge of any questionable trading activity at J.B. OXFORD, although it is fairly common at smaller companies. This was the reason that [REDACTED] because he wanted nothing to do with it. [REDACTED] was never requested to promote stocks based on unreported press releases. [REDACTED] believes in doing his own research on stock. [REDACTED] has never been asked to trade J.B. OXFORD HOLDINGS stock based on inside information, and would not do it, even if he were asked to. b6 b7C

[REDACTED] is the [REDACTED] of J.B. OXFORD and

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Continuation of FD-302 of [REDACTED], On 8/19/97, Page 3

COMPANY. [REDACTED] met [REDACTED] to talk about
the [REDACTED] They had [REDACTED] with
[REDACTED] who is the [REDACTED] does not b6
believe that [REDACTED] reports to IRVING KOTT. because of his b7c
experiences dealing only with [REDACTED]

[REDACTED] has not received any customer complaints against
himself and the only complaint that he has heard about the company
stems from a lawsuit that occurred approximately [REDACTED]
[REDACTED] was with the company.

196C-CA-208698-202

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 25 1964	
FBI-LOS ANGELES	

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/21/97

[redacted] date of birth [redacted] address [redacted]
[redacted] California [redacted] was
interviewed at his place of employment, J.B. OXFORD and COMPANY,
9665 Wilshire Boulevard, 3rd Floor, Beverly Hills, California.
After being advised of the identity of the interviewing agent
and the nature of the interview, [redacted] provided the following
information:

[redacted] provided the interviewing agent with his
California Driver's License, number [redacted] and his Social
Security Card, number [redacted]

b6
b7C

[redacted] is a [redacted] and has worked at J.B. OXFORD for
approximately [redacted] Prior to working at J.B. OXFORD, [redacted]
was a [redacted] for [redacted] at [redacted] and for [redacted] at [redacted]

[redacted] is [redacted] immediate supervisor and he,
along with [redacted] interviewed and ultimately hired [redacted] for
his job at J.B. OXFORD. [redacted] had heard about J.B. OXFORD and
knew [redacted] so he applied for a job.

[redacted] has heard the name IRVING KOTT before, however,
has never met him and is not aware of his position or
responsibilities. He does not know where KOTT's office is
located, but assumes that he has one.

[redacted] is not familiar with anyone by the name [redacted]
[redacted] is an employee that [redacted] has seen
before. [redacted] works in the Executive Offices.

[redacted] has no knowledge of any meetings held at IRVING
KOTT's residence and was not given any instructions regarding
what to tell people who inquire about KOTT's status at J.B.
OXFORD. [redacted] has no knowledge of any offsite storage facilities
and is not familiar with the following names: TURRET CONSULTING,
E.B.C. TRUST, ARABELLA S.A., or OERI FINANCE.

b6
b7C

[redacted] has heard of the HARISTON CORPORATION before, but
does not know anything specific about the company. He has never

Investigation on 8/19/97 at Beverly Hills, California

File # 196C-LA-208098 SUB 302 -60

by SA [redacted]

Date dictated 8/21/97

196C-LA-208098 SUB 302

Continuation of FD-302 of [REDACTED], On 8/19/97, Page 2

heard of OPHTHALMIC IMAGING SYSTEMS, INC. or LEGACY SOFTWARE. J.B. OXFORD HOLDINGS is their stock. He has never heard of SYNERGY RENEWABLE RESOURCES, INC. or CELLTECH.

[REDACTED] has no knowledge of IRVING KOTT promoting any stocks at J.B. OXFORD. He has never been given sales scripts to promote the above mentioned companies, and has received no instructions regarding discouraging customers from selling certain stocks. [REDACTED] has no knowledge of any questionable trading activity at J.B. OXFORD and was never requested to promote stocks based on unreported press releases. [REDACTED] advised that he would not do it, even if he were asked to.

b6
b7c

[REDACTED] is the [REDACTED] of J.B. OXFORD and COMPANY. [REDACTED] has seen him before, but does not know if he reports to IRVING KOTT.

[REDACTED] could not recall anything specific about customer complaints. One time he did not get along with a client, so he simply gave the client to another broker.

60
PAC-LA-208078-307-

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 25 1997	
FBI-LOS ANGELES	

196C-LA-20808-302-61

2

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI - LOS ANGELES	

RS

MIS

1916C-LA-JCPCY18 302-67

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	

ms

196C-1A-2050918A 207-473

SEARCHED	INDEXED
SERIALIZED	FILED

SEP 2 1967

RE MOS

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/20/97

[redacted] was interviewed at his place of employment, JB OXFORD & COMPANY, 9665 Wilshire Boulevard, 3rd Floor, Beverly Hills, California, 90212. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

b6
b7c

[redacted] has worked at JB OXFORD & COMPANY (JBOC) for the past [redacted] and [redacted]. Before working at JBOC he worked at [redacted] for [redacted]. When [redacted] first came to JBOC, he was an [redacted] now he is a [redacted]. He has a [redacted] and a [redacted]. [redacted] reports to [redacted] was hired by [redacted] no longer works at JBOC. [redacted] was referred to JBOC by an acquaintance who had worked at [redacted] with him and had gone to work for JBOC.

[redacted] stated that, as far as he knows, IRVING KOTT is the Marketing Director for JBOC. [redacted] does not know if KOTT reports to anyone. KOTT is at the office from time to time, but [redacted] doesn't know where KOTT's office is located. KOTT has an assistant that works for him, but [redacted] doesn't know if he has any say in the hiring or firing of anyone else.

[redacted] stated that [redacted] is the [redacted] of IRVING KOTT.

[redacted] "has no idea" what type of work IRVING or [redacted] would ever take home with them from JBOC. He does not know what type of meetings are held at KOTT's residence.

[redacted] has been told to tell people who inquire about KOTT's status at JBOC that KOTT is strictly the Marketing Director and that he has no control in JBOC, which is consistent with the knowledge that [redacted] has. Regarding the TIME article about KOTT, JBOC had a printed response that would be sent to investors who inquired about the matter. Usually this was handled by one of the executives.

b6
b7c

[redacted] believes that HARISTON is a stock that IRVING KOTT had some involvement with in the past. The stock did not do well. OPHTHALMIC IMAGING SYSTEMS, INC. (OISI) is a stock that

Investigation on 08/19/97 at Beverly Hills, CA

File # 196C-LA-208098 -302-64

by SA [redacted] Date dictated 08/20/97

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Continuation of FD-302 of [redacted], On 08/19/97, Page 2

JBOC made the market in, in the past. LEGACY SOFTWARE was an initial public offering (IPO) that JBOC brought public. [redacted] believes J.B. OXFORD HOLDINGS is the symbol that JBOC trades under. He has heard the name CELLTECH, but has not been told anything about the stock. b6 b7C

IRVING KOTT did suggest LEGACY SOFTWARE.

[redacted] has never been given any sales scripts. He has been given research reports. [redacted] He was given the [redacted]

[redacted] has never been given any instructions to discourage clients from selling.

They have weekly sales meetings at JBOC. The only meeting [redacted] ever recalls KOTT attending was regarding LEGACY SOFTWARE. KOTT just talked about the fact that they were promoting LEGACY and taking it public. [redacted] has never had much direct contact with KOTT. He only remembers seeing him at the [redacted] in the last [redacted]. That meeting was held in [redacted].

[redacted] stated that [redacted] is the [redacted] of JB OXFORD & COMPANY. [redacted] does not know his relationship to KOTT.

[redacted] is not aware of any improper questionable activity involving trading and management at JBOC. He has heard of KOTT's past. [redacted] stated that they try to distance themselves from his reputation, stating that "it's not great to be affiliated with IRVING KOTT."

[redacted] has only had one complaint at JBOC. It was regarding [redacted] a company which works on [redacted]. The complaint was from an investor who believed he was [redacted].

It was resolved in favor of [redacted]

b6
b7C

[redacted] has never been asked to trade JBOH stock on insider information.

[redacted] stated that JBOC is a full service discount broker. They make recommendations and they make markets in some stocks. There are sales incentives on certain stocks. [redacted] provided a list of those stocks for which there is a sales incentive (list is attached). However, he pointed out that the stocks on the list are large, well known stocks. They are not small issues, which JBOC could influence.

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Continuation of FD-302 of

[REDACTED]

, On 08/19/97

, Page 3

[REDACTED] stated that even before he came on at JBOC, he had b6
heard that IRVING KOTT was "shady". [REDACTED] were two deals b7C
that didn't work out well, that he knew KOTT was affiliated with.

[REDACTED] stated that as far as he knows "99% of the brokers and
traders for JBOC operate completely above board".

[REDACTED] provided the following identifying information:

NAME:
ADDRESS:

[REDACTED]

CDL:
DOB:
SSN:
SEX:
HEIGHT:
WEIGHT:
HAIR:
EYES:

Male
5'9"
155
Blonde
Blue

196C-LA-208098-302-64

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 2 1964	
FBI - LOS ANGELES	

MJS

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/25/97

[redacted] was interviewed at his place of work, JB OXFORD & COMPANY, 9665 Wilshire Boulevard, 3rd Floor, Beverly Hills, California, 90212. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

b6
b7c

[redacted] has worked at JB OXFORD & COMPANY (JBOC) for [redacted]. He has been a [redacted] and is now a [redacted]. He reports to [redacted]. [redacted] was interviewed for the job b [redacted], a [redacted] who [redacted].

Prior to working at JBOC, [redacted] who entered the [redacted] business at [redacted] worked for several other firms. He worked at [redacted] for [redacted]. He earned his [redacted] and [redacted] while working there. Next, [redacted] worked at [redacted] for [redacted]. Just prior to joining JBOC, he worked for [redacted] at [redacted].

[redacted] stated that IRVING KOTT is the "mystery man" at JBOC. It is "claimed" that he is in advertising. [redacted] thinks KOTT may report to the [redacted]. [redacted] KOTT's office is located [redacted] office.

[redacted] stated that [redacted] tells him when there is a position in the error account that should not be there. Although, lately [redacted] has done that task.

[redacted] stated that [redacted] is the [redacted] reports to [redacted].

b6
b7c

[redacted] has attended two sales meetings at IRVING KOTT's residence. One took place nine months ago, the other about a year and a half ago. [redacted] remembers both meetings being "rah, rah" type sales meetings. KOTT may have talked about LEGACY SOFTWARE's initial public offering at the first meeting.

[redacted] has not received any instruction on what to tell people who inquire about IRVING KOTT.

Investigation on 08/19/97 at Beverly Hills, CA

File # 196C-LA-208098 - 302-65 08/25/97

by SA [redacted] Date dictated

196C-LA-208098

Continuation of FD-302 of [REDACTED], On 08/19/97, Page 2 b6 b7C

[REDACTED] stated that he knows JBOC has storage off site, but he is not sure where it is located. He said that [REDACTED] in Human Resources would know the location.

[REDACTED] has no idea what TURRET CONSULTANTS is. He thinks EBC is mentioned in the LEGACY SOFTWARE prospectus. He is not familiar with [REDACTED]. He stated the [REDACTED] just [REDACTED] at JB OXFORD HOLDINGS. [REDACTED] stated that HARISTON is a joke around JBOC. It went from a price of \$8 down to pennies. [REDACTED] knows that JBOC did sell OISI stock. [REDACTED] said that LEGACY SOFTWARE was a nightmare for JBOC, which handled the initial public offering.

[REDACTED] has never received suggestions from KOTT regarding what securities to sell. He has never worked from a sales script. He did receive some research memos from [REDACTED]

IRVING KOTT is "pretty abrasive". He is constantly saying that it is important to open accounts. JBOC does a lot of advertising on CNBC, more than any other discount broker on the west coast. [REDACTED] of [REDACTED] makes the commercials.

[REDACTED] is the [REDACTED] of JBOC.

[REDACTED] stated that he believes the traders could do a better job. He has some problems with them, but does not believe there is anything improper or sinister in their activities.

[REDACTED] has a [REDACTED] license, which means [REDACTED]
[REDACTED] answers to [REDACTED] and [REDACTED]

IRVING KOTT has not been around as much this year. Typically KOTT has been around a couple of days every couple of months, which is not much compared to last year, when KOTT would be around for a couple of months at a time.

[REDACTED] provided the following identifying information:

NAME:

ADDRESS:

b6
b7C

196C-LA-208098

Continuation of FD-302 of

[Redacted]

, On 08/19/97

, Page 3

b6
b7C

TELEPHONE:

CDL:

DOB:

SSAN:

HEIGHT:

WEIGHT:

HAIR:

EYES:

[Redacted]

6'1"

215 lbs.

Brown

Brown

19100 41-208018-202-15

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 2 1957	
FBI - JACOB	

mss

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/21/97

[redacted] was interviewed at his place of employment, JB OXFORD & COMPANY, 9665 Wilshire Boulevard, 3rd Floor, Beverly Hills, California, 90212. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

[redacted] has worked at JB OXFORD & COMPANY (JBOC) for [redacted]. He started as a [redacted] and is now a [redacted] in the [redacted] the [redacted] interviewed and hired [redacted] reports to [redacted].

b6
b7C

[redacted] before joining JBOC. He worked in [redacted] from [redacted]. Next, he worked as a [redacted] at [redacted] for [redacted] worked at [redacted] as a [redacted] for [redacted] after that. He also worked as a [redacted] at [redacted] for about [redacted].

[redacted] stated that IRVING KOTT was a consultant for JBOC, but that [redacted] heard he had been terminated a few months ago. [redacted] also stated that [redacted] is the [redacted] does not know who [redacted] is.

[redacted] has not received any instruction on what to tell people who inquire about IRVING KOTT. [redacted] has not heard of TURRET CONSULTANTS.

[redacted] has heard of HARISTON CORPORATION and OISI but does not know anything about them. [redacted] stated that JBOC was the underwriter for LEGACY SOFTWARE's initial public offering.

[redacted] has never received any sales scripts nor has he been directed to push any particular securities.

b6
b7C

[redacted] stated that [redacted] is the [redacted] of JBOC.

[redacted] is not aware of any improper activities involving ther traders or management at JBOC.

Investigation on 08/19/97 at Beverly Hills, CA

File # 196C-LA-208098-702-66

by SA [redacted]

Date dictated 08/21/97

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Continuation of FD-302 of

[Redacted]

, On 08/19/97

, Page 2

b6
b7c

[Redacted] provided the following identifying information:

NAME:
ADDRESS:

[Redacted]

TELEPHONE:

[Redacted]

CDL:
DOB:
SSAN:
HEIGHT:
WEIGHT:
HAIR:
EYES:

6'2"
160 lbs.
Brown
Brown

196C- LA- 208078- 302-66

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI LOS ANGELES	

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/21/97

[redacted] was interviewed at his place of employment, JB OXFORD & COMPANY, 9665 Wilshire Boulevard, 3rd Floor, Beverly Hills, California, 90212. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

b6
b7c

[redacted] has worked at JB OXFORD & COMPANY for [redacted]. His position there is a [redacted]. He was interviewed and hired by [redacted]. He reports to [redacted]. Prior to working at JBOC, [redacted] worked as [redacted] in [redacted] for [redacted] as a [redacted] and a [redacted].

[redacted] does not know IRVING KOTT's position or responsibilities at JBOC. He does not know [redacted] or [redacted]. [redacted] He thinks [redacted] is an executive at the company.

[redacted] does not know anything about any of the companies or securities on the questionnaire.

[redacted] is not aware of any improper activities at JBOC.

[redacted] provided the following identifying information:

NAME:
ADDRESS:

TELEPHONE:

CDL:

DOB:

SSAN:

HEIGHT:

WEIGHT:

HAIR:

EYES:

5'-6"
115 lbs.
Black
Black

b6
b7c

Investigation on 08/19/97 at Beverly Hills, CA

File # 196C-LA-208098 - 302-67

by SA [redacted] Date dictated 08/21/97

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SEARCHED	INDEXED
SERIALIZED	FILED
SEP 2 1967	
FBI - LOS ANGELES	

FEDERAL BUREAU OF INVESTIGATION
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FOI/PA# 1347683-0

Total Deleted Page(s) = 34

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Page 51 ~ b6; b7C; OTHER - Per Sealing Order;
Page 79 ~ Duplicate;
Page 80 ~ Duplicate;
Page 81 ~ Duplicate;
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Page 84 ~ Duplicate;
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Page 86 ~ b6; b7C; OTHER - Per Sealing Order;
Page 87 ~ b6; b7C; OTHER - Per Sealing Order;
Page 92 ~ b6; b7C; OTHER - Per Sealing Order;
Page 93 ~ OTHER - Per Sealing Order;
Page 97 ~ b6; b7C; OTHER - Per Sealing Order;
Page 98 ~ b6; b7C; OTHER - Per Sealing Order;
Page 122 ~ b6; b7C; OTHER - Per Sealing Order;
Page 123 ~ b6; b7C; OTHER - Per Sealing Order;
Page 124 ~ b6; b7C; OTHER - Per Sealing Order;
Page 129 ~ b6; b7C; OTHER - Per Sealing Order;
Page 132 ~ b6; b7C; OTHER - Per Sealing Order;
Page 133 ~ b6; b7C; OTHER - Per Sealing Order;
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Page 139 ~ b6; b7C; OTHER - Per Sealing Order;
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Page 189 ~ b6; b7C; OTHER - Per Sealing Order;
Page 190 ~ b6; b7C; OTHER - Per Sealing Order;
Page 196 ~ OTHER - Per Sealing Order;
Page 197 ~ b6; b7C; OTHER - Per Sealing Order;
Page 198 ~ b6; b7C; OTHER - Per Sealing Order;
Page 199 ~ b6; b7C; OTHER - Per Sealing Order;
Page 200 ~ b6; b7C; OTHER - Per Sealing Order;
Page 226 ~ b6; b7C; OTHER - Per Sealing Order;
Page 227 ~ b6; b7C; OTHER - Per Sealing Order;

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FEDERAL BUREAU OF INVESTIGATION
FOI/PA
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FOI/PA# 1188049-1

Total Deleted Page(s) = 34

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Page 80 ~ Duplicate;
Page 81 ~ Duplicate;
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Page 83 ~ Duplicate;
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Page 85 ~ b6; b7C; OTHER - Per Sealing Order;
Page 86 ~ b6; b7C; OTHER - Per Sealing Order;
Page 87 ~ b6; b7C; OTHER - Per Sealing Order;
Page 92 ~ b6; b7C; OTHER - Per Sealing Order;
Page 93 ~ OTHER - Per Sealing Order;
Page 97 ~ b6; b7C; OTHER - Per Sealing Order;
Page 98 ~ b6; b7C; OTHER - Per Sealing Order;
Page 122 ~ b6; b7C; OTHER - Per Sealing Order;
Page 123 ~ b6; b7C; OTHER - Per Sealing Order;
Page 124 ~ b6; b7C; OTHER - Per Sealing Order;
Page 129 ~ b6; b7C; OTHER - Per Sealing Order;
Page 132 ~ b6; b7C; OTHER - Per Sealing Order;
Page 133 ~ b6; b7C; OTHER - Per Sealing Order;
Page 134 ~ b6; b7C; OTHER - Per Sealing Order;
Page 139 ~ b6; b7C; OTHER - Per Sealing Order;
Page 140 ~ b6; b7C; OTHER - Per Sealing Order;
Page 141 ~ b6; b7C; OTHER - Per Sealing Order;
Page 189 ~ b6; b7C; OTHER - Per Sealing Order;
Page 190 ~ b6; b7C; OTHER - Per Sealing Order;
Page 196 ~ OTHER - Per Sealing Order;
Page 197 ~ b6; b7C; OTHER - Per Sealing Order;
Page 198 ~ b6; b7C; OTHER - Per Sealing Order;
Page 199 ~ b6; b7C; OTHER - Per Sealing Order;
Page 200 ~ b6; b7C; OTHER - Per Sealing Order;
Page 226 ~ b6; b7C; OTHER - Per Sealing Order;
Page 227 ~ b6; b7C; OTHER - Per Sealing Order;

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/21/97

[redacted] was interviewed at his place of employment, JB OXFORD & COMPANY, 9665 Wilshire Boulevard, 3rd Floor, Beverly Hills, California, 90212. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

b6
b7c

[redacted] worked at [redacted] as a [redacted] before joining JB OXFORD & COMPANY (JBOC). He has a [redacted] He has worked at JBOC for [redacted] [redacted] and is presently a [redacted] [redacted] for JBOC. [redacted] was interviewed for his position at JBOC by [redacted] at JBOC.

[redacted] stated that IRVING KOTT does marketing work for JBOC and probably reports to [redacted] does not know [redacted] or [redacted] He has never been given any instructions regarding what to tell people who inquire about IRVING KOTT.

[redacted] was not familiar with any of the companies listed on the questionnaire. HE has never received suggestions from IRVING KOTT regarding any securities. He has never been given a sales script.

[redacted] stated that there are weekly sales meetings, but he has never seen IRVING KOTT at any of the meetings. [redacted] stated that [redacted] is the [redacted] of JBOC.

b6
b7c

[redacted] is not aware of any improper activity involving trading or management at JBOC. He is not aware of any customer complaints. He knows of no insider trading taking place at JBOC.

[redacted] stated that all he knows about IRVING KOTT and his reputation is what he has seen in the media.

[redacted] provided the following identifying information:

NAME:

ADDRESS:

TELEPHONE:

[redacted]
Long Beach, CA 90815
[redacted]Investigation on 08/19/97 at Beverly Hills, CAFile # 196C-LA-208098 - 202-68by SA [redacted] Date dictated 08/21/97

196C-LA-208098

b6
b7C

Continuation of FD-302 of

[Redacted]

, On 08/19/97, Page 2

CDL:
DOB:
SSAN:
HEIGHT:
WEIGHT:
HAIR:
EYES:

[Redacted]

5' 8"
145 lbs.
Brown
Blue

196A-CA-208078-302-68

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI - LOS ANGELES	

mtz

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/21/97

[redacted] was interviewed at his place of employment, JB OXFORD & ASSOCIATES, 9665 Wilshire Boulevard, 3rd Floor, Beverly Hills, California, 90212. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

b6
b7c

[redacted] worked for [redacted] a "boutique" investment firm for four months prior to working at JB OXFORD & COMPANY (JBOC). He earned his series [redacted] then joined JBOC. [redacted] only position at JBOC has been as a [redacted] He has worked at JBOC for a [redacted] He was interviewed and hired by [redacted]

[redacted] He reports to [redacted] [redacted] knows who IRVING KOTT is, but does not know his responsibilities at JBOC. [redacted] stated that the last he heard, IRVING KOTT was a consultant. [redacted] has heard the name [redacted] but does not know his position or responsibilities at JBOC. He does not know [redacted]

[redacted] has no knowledge of meetings at KOTT's residence. He has not received any instructions regarding what to tell people who inquire about KOTT. He would only know what to tell people regarding what he read in an article in TIME magazine.

[redacted] is not aware of any other storage facilities.

[redacted] has never heard of TURRET CONSULTING or any of the other companies asked about. He had heard of LEGACY SOFTWARE and was aware that JBOC handled the IPO (initial public offering) for LEGACY.

[redacted] has never received instructions from KOTT regarding any securities and has never been given any sales scripts. There have never been any discussions of discouraging customers from selling certain securities.

b6
b7c

There are weekly sales meetings, but [redacted] only remembers IRVING KOTT attending one meeting. At that meeting he discussed a new commercial for JBOC.

Investigation on 08/19/97 at Beverly Hills, CA

File # 196C-LA-208098 - 302-69

by SA [redacted] Date dictated 08/21/97

196C-LA-208098

Continuation of FD-302 of [REDACTED], On 08/19/97, Page 2

[REDACTED] stated that [REDACTED] is the [REDACTED] of JBOC. [REDACTED] is not aware of any improper activity involving the traders or managers at JBOC.

[REDACTED]

[REDACTED] provided the following identifying information:

b6
b7C

NAME:
ADDRESS:

[REDACTED]

TELEPHONE:

[REDACTED] CA [REDACTED]

CDL:

[REDACTED]

DOB:

SSAN:

HEIGHT:

5'10"

WEIGHT:

175 lbs.

HAIR:

Black

EYES:

Brown

196C- (A-202078-307
69

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	

ms

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/21/97

[redacted] was interviewed at his place of employment, JB OXFORD & COMPANY, 9665 Wilshire Boulevard, 3rd Floor, Beverly Hills, California, 90212. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

b6
b7c

[redacted] has only been employed at JB OXFORD & COMPANY (JBOC) since [redacted]. He [redacted] and was hired on at JBOC. He was interviewed and hired by [redacted]. Previous to this job, [redacted] worked as a [redacted].

[redacted] had heard that IRVING KOTT was responsible for advertising. He does not know where KOTT's office is located. [redacted] does not know [redacted] or [redacted].

Based on some research he did on the company before he started at JBOC, [redacted] knows that OERI is a major investor in the company and is involved in its ownership. OERI is located in Basel, Switzerland. According to information he looked up on the Internet, [redacted] believes that JB HOLDINGS is also located in Basel, Switzerland.

[redacted] is not aware of any improper activity at JBOC. He stated that clients call in and place orders. Typically they involve mainstream companies. He has never been given any sales script.

b6
b7c

[redacted] provided the following identifying information:

NAME:
ADDRESS:

[redacted]
Los Angeles, CA 90025

TELEPHONE:
CDL:
DOB:
SSAN:
HEIGHT:
WEIGHT:
HAIR:
EYES:

[redacted]
5'8"
150 lbs.
Brown
Brown

Investigation on 08/19/97 at Beverly Hills, CA

File # 196C-LA-208098 - 302 - 70

by SA [redacted] Date dictated 08/21/97

196C-LA-008008-302-70

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI - LOS ANGELES	

mts

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/21/97

[redacted] was interviewed at his place of employment, JB OXFORD & COMPANY, 9665 Wilshire Boulevard, 3rd Floor, Beverly Hills, California, 90212. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

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[redacted] worked for [redacted] as an [redacted] for [redacted] to working at JB OXFORD & COMPANY (JBOC). He has worked at JBOC for [redacted] in the position of [redacted]. It is the only position he has had at JBOC. He was referred to JBOC by an ex-employee of JBOC and was interviewed for the job by [redacted]. [redacted] reports to [redacted].

[redacted] read an article about IRVING KOTT, and has heard his name, but does not know KOTT's position or responsibilities at JBOC. [redacted] does not know [redacted] or [redacted].

[redacted] has never received any instructions regarding what to tell people who inquire about KOTT. He has never received any suggestions from KOTT regarding selling any particular securities. He has never gotten any sales scripts.

[redacted] was not familiar with any of the companies or securities listed on the questionnaire. He is aware that [redacted] is the [redacted] of JBOC. He is not aware of any improper activities or trading at JBOC.

[redacted] provided the following identifying information:

b6
b7CNAME:
ADDRESS:

Los Angeles, CA 90025

TELEPHONE:
CDL:
DOB:
SSAN:
HEIGHT:

6' 1"

Investigation on 08/19/97 at Beverly Hills, CAFile # 196C-LA-208098-302-71

by SA [redacted]

Date dictated 08/21/97

196C-LA-208098

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Continuation of FD-302 of

, On 08/19/97, Page 2

WEIGHT:

180 lbs.

HAIR:

Blond

EYES:

Blue

196C-UA-208098-302-71

SEARCHED	INDEXED
SERIALIZED	FILED
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FBI - LOS ANGELES	

MCS

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/26/97

[redacted] date of birth: [redacted] social security number: [redacted] residential address: [redacted] [redacted] Fontana, CA 92336, was interviewed at the offices of J.B. OXFORD COMPANY (JBOC), 9665 Wilshire Blvd., 3rd Floor, Beverly Hills, CA. After being advised of the official identity of the interviewing agent and the purpose of the interview, [redacted] provided the following information:

[redacted] is employed at JBOC as a [redacted] She is [redacted] was hired on [redacted] She submitted a resume to JBOC and was interviewed by [redacted] to [redacted] and to [redacted] [redacted] worked for [redacted] from [redacted] [redacted] She was [redacted] and [redacted] with [redacted] [redacted] from [redacted] was a [redacted] with the [redacted] from [redacted]

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[redacted] has never heard of IRVING KOTT. She has not received any instructions about what to tell people about his status at JBOC.

[redacted] was at one [redacted] with JBOC. [redacted] does not know what KOTT is doing now, but she said that he has a say in the hiring and firing of JBOC employees. She does not know who KOTT reports to.

In the past, JBOC documents and files were stored at a nearby bank (name unknown - NU). [redacted] does not know where they are presently being stored. She has no knowledge of E.B.C TRUST, ARABELLA S.A., OERI FINANCE, HARISTON CORPORATION, OPTHAMALIC IMAGING SYSTEMS, INC., LEGACY SOFTWARE, J.B. OXFORD HOLDINGS, SYNERGY RENEWABLE RESOURCES, INC., formerly known as WESTERN AND PACIFIC, or CELLTECH. [redacted] is not familiar with [redacted]

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b7c

[redacted] is not familiar with the securities being promoted by JBOC. She has seen a lot of common stock records. She does not attend sales meetings.

Investigation on 08/19/97 at Beverly Hills, CA

File # 196C-LA-208098 - 302 - 72

by SA [redacted] Date dictated 08/26/97

196C-LA-208098

Continuation of FD-302 of [redacted], On 08/19/97, Page 2

[redacted] She has received no sales scripts or instructions for doing this. She only [redacted] is not aware of any improper or questionable activity at JBOC.

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[redacted] password for JBOC's computer system is [redacted]

The following is a description of [redacted]
Sex: Female
Age: [redacted]
Height: 5'2"
Weight: 118
Hair: Black
Eyes: Black
Complexion: Olive
Driver's license: [redacted]

196C-1A-208098-302-72

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI - LOS ANGELES	

[Handwritten initials and signature over stamp]

[Handwritten "MSS" to the right of stamp]

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/26/97

[redacted] DOB: [redacted] SSN: [redacted]
[redacted] residential address: [redacted] Los Angeles, CA, was interviewed at the offices of J.B. OXFORD COMPANY (JBOC), 9665 Wilshire Blvd., 3rd Floor, Beverly Hills, CA. After being advised of the official identity of the interviewing agent and the purpose of the interview, [redacted] provided the following information:

[redacted] is employed by JBOC as a [redacted]. He was hired by the firm in [redacted] as a [redacted]. [redacted] has been a [redacted] with JBOC since [redacted]. He was interviewed for the position by [redacted] and [redacted]. [redacted] is now [redacted].

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[redacted] was employed by [redacted] for [redacted] as a [redacted]. He also worked for [redacted] as a [redacted].

[redacted] knows nothing of IRVING KOTT other than that he is related to [redacted] has an office at JBOC, but [redacted] does not know what he does at the firm. [redacted] has never been to a meeting where IRVING was present and he has never heard of meetings being held at IRVING's residence. He has never been instructed regarding what to say about IRVING's status at JBOC.

[redacted] has an executive office at JBOC, but [redacted] does not know what she does at the firm. [redacted] is the [redacted] of JBOC.

J.B. OXFORD HOLDINGS (JBOH) is the stock company of JBOC. [redacted] has not heard of TURRET CONSULTING, E.B.C. TRUST, ARABELLA S.A., OERI FINANCE, HARISTON CORPORATION, OPTHAMALIC IMAGING SYSTEMS, INC., SYNERGY RENEWABLE RESOURCES, INC., formerly known as WESTERN AND PACIFIC, or CELLTECH.

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[redacted] has never been encouraged to promote specific stocks at JBOC. He has never been instructed to discourage his customers from selling or to find a buyer within the firm to match sell orders. [redacted] has never been asked to promote

Investigation on 08/14/97 at Los Angeles, CA

File # 196C-LA-208098 - 302-93

by SA [redacted] Date dictated 08/26/97

196C-LA-208098

Continuation of FD-302 of [REDACTED]

, On 08/16/97, Page 2

stocks based on unreported press releases. He has never been told to follow a sales script. [REDACTED] has never been asked to trade JBOH stock based on insider information. He is not aware of any improper trading practices at JBOC. There have been no customer complaints against [REDACTED] or other brokers other than those pertaining to brokers not being responsive enough or customers having to wait too long. b6 b7c

New account files are kept on the 2nd Floor at 9665 Wilshire Blvd., Beverly Hills, CA. [REDACTED] password for JBOC's computer system is [REDACTED] His ID for the system is [REDACTED]

The following is a description of [REDACTED]

Sex: Male
Age: [REDACTED]
Height: 5'11"
Weight: 155
Hair: Black
Eyes: Brown
Driver's license: [REDACTED]

196C-4A 208CF18-307-73

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SERIALIZED	FILED
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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/26/97

[redacted] DOB: [redacted] SSN: [redacted]
residential address: [redacted] Los Angeles, CA
90036, was interviewed at the offices of J.B. OXFORD COMPANY
(JBOC), 9665 Wilshire Blvd., 3rd Floor, Beverly Hills, CA. After
being advised of the official identity of the interviewing agent
and the purpose of the interview, [redacted] provided the
following information:

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[redacted] is employed by JBOC as [redacted]. He has
been employed by JBOC for approximately [redacted]. He was
interviewed for the position by [redacted] and [redacted].
[redacted] is [redacted]. He reports
directly to [redacted] or to [redacted]. Prior to JBOC,
[redacted] was employed as a [redacted] with [redacted].

[redacted] has heard and has been told to say that
IRVING KOTT is an advertising consultant for JBOC. [redacted]
has been [redacted]. KOTT was present. The topic of
those meetings was JBOC commercials. [redacted] does not know if
KOTT has an office at JBOC. KOTT has no say in the hiring and
firing of JBOC employees. [redacted] heard a rumor at JBOC that
KOTT got into trouble in the 1970's due to his involvement in a
penny stock scam. There have been no meetings at IRVING's
residence or at the residence of anyone else at JBOC.

[redacted] has an executive office at JBOC, but
[redacted] does not know what he does for the firm. [redacted]
has never heard of [redacted] is
the CEO of JBOC. [redacted] does not know if [redacted] reports
to IRVING.

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LEGACY SOFTWARE was a public offering of JBOC before
[redacted] was hired. [redacted] has never been encouraged to
promote specific stocks at JBOC. One of the things that he likes
about JBOC is that he has freedom in selling stocks. [redacted]
has never been instructed to discourage his customers from
selling or to find a buyer within the firm to match sell orders.
On one occasion, [redacted] was made aware that a bond was
available to be sold. [redacted] has never been asked to promote
stocks based on unreported press releases. He has never been
told to follow a sales script. [redacted] has never been asked

b6
b7CInvestigation on 08/19/97 at Beverly Hills, CAFile # 196C-LA-208098 -302-74by SA [redacted] Date dictated 08/26/97

196C-LA-208098

Continuation of FD-302 of [REDACTED], On 08/19/97, Page 2

to trade J.B. OXFORD HOLDINGS (JBOH) stock based on insider information.

[REDACTED] The only improper activity on the part of [REDACTED] that [REDACTED] is aware of was brought to light [REDACTED]

Customer complaints at JBOC have been what [REDACTED] called [REDACTED] b6 b7c
"routine".

[REDACTED] know's of no outside facilities for JBOC files
His passwords for JBOC's computer system are [REDACTED] and [REDACTED]
His SIS password is [REDACTED] His ID is [REDACTED]

The following is a description of [REDACTED]

Ethnicity:	White
Sex:	Male
Age:	[REDACTED]
Height:	5'10"
Weight:	170
Hair:	Blond
Eyes:	Green
Driver's license:	[REDACTED]

PLC-LA-20098-302-74

SEARCHED	INDEXED
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SEP 25 1997	
FBI - LOS ANGELES	

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/26/97

[redacted] date of birth: [redacted] social
security number: [redacted] residential address: [redacted]
[redacted] Encino, CA 91316, was interviewed at the offices of
J.B. OXFORD COMPANY (JBOC), 9665 Wilshire Blvd., 3rd Floor,
Beverly Hills, CA. After being advised of the official identity
of the interviewing agent and the purpose of the interview, [redacted]
provided the following information:

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[redacted] is employed by JBOC as a [redacted]
[redacted] This is the only position that he has held with JBOC.
He was hired in [redacted] was interviewed for the position
by [redacted] of the [redacted]
His immediate supervisor is [redacted]
[redacted]

[redacted] was a [redacted] from
approximately [redacted] He was also employed
by [redacted] for approximately [redacted] as a [redacted]
[redacted]

IRVING KOTT acts as an advisor and financial consultant
to JBOC but has no official position there. [redacted] does not know
what office KOTT uses. He does not know if KOTT has a say in the
hiring and firing of JBOC employees.

[redacted] is an [redacted] at JBOC. [redacted] does not
know what part of the firm's operations [redacted] has authority over.
He does not know who [redacted] reports to.

[redacted] is the [redacted] of JBOC. He
is in charge of the overall operation of the firm. [redacted] does not
know if [redacted] reports to IRVING. [redacted] does not know what
[redacted] does nor to whom she reports.

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As far as [redacted] knows, neither IRVING nor [redacted]
have taken work home from JBOC. [redacted] does not know of any company
meetings being held at IRVING's residence.

Around [redacted] was present at a sales
meeting at which IRVING introduced a new JBOC commercial. This
is the only meeting that [redacted] attended where IRVING was present.

Investigation on 08/19/97 at Beverly Hills, CA

File # 196C-LA-208098 - 302-75

by SA [redacted] Date dictated 08/26/97

196C-LA-208098

Continuation of FD-302 of [REDACTED]

, On 08/19/97, Page 2

JBOC helped LEGACY SOFTWARE to go public. During the first or second month that [REDACTED] was with JBOC, [REDACTED] told [REDACTED] that JBOC did investment banking for LEGACY SOFTWARE, but [REDACTED] never felt encouraged or pressured to sell LEGACY stock. [REDACTED] has never been encouraged to promote any other stocks. [REDACTED] has never been instructed to discourage his customers from selling or to find a buyer within the firm to match sell orders. He has never been asked to promote stocks based on unreported press releases. [REDACTED] has never been asked to trade JBOH stock based on insider information. He does not recommend JBOH stock to clients. [REDACTED] is not aware of any customer complaints against JBOC.

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[REDACTED] is not aware of illegal activity on the part of JBOC or JBOH by IRVING KOTT or others. He is not aware of improper activity involving JBOC [REDACTED]

JBOC is the parent company of J.B. OXFORD HOLDINGS (JBOH). [REDACTED] has not heard of TURRET CONSULTING, E.B.C. TRUST, ARABELLA S.A., OERI FINANCE, HARISTON CORPORATION, OPTHAMALIC IMAGING SYSTEMS, INC., SYNERGY RENEWABLE RESOURCES, INC., formerly known as WESTERN AND PACIFIC, or CELLTECH.

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[REDACTED] password for JBOC's computer order system is [REDACTED]

The following is a description of [REDACTED]
Ethnicity: [REDACTED]

Sex: Male

Age: [REDACTED]

Height: 5'8"

Build: Slim

Hair: Black

Eyes: Brown

Driver's license: [REDACTED]

196c- LA- 208098- 102- 75

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 11 1965	
FBI - LOS ANGELES	

[Handwritten initials and signature over stamp]

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/26/97

[redacted] date of birth: [redacted] social
security number: [redacted] residential address: [redacted]
[redacted] CA [redacted] residential telephone:
[redacted] was interviewed at the offices of J.B. OXFORD
COMPANY (JBOC), 9665 Wilshire Blvd., 3rd Floor, Beverly Hills,
CA. After being advised of the official identity of the
interviewing agent and the purpose of the interview, [redacted]
provided the following information:

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[redacted] is employed at JBOC as a [redacted] He is
working at JBOC on a [redacted]
[redacted] He has been employed
there for approximately [redacted] His [redacted] is
[redacted]

[redacted] recognized the name J.B. OXFORD HOLDINGS.
He said that he had seen the name on the company's computer.

[redacted] does not attend meetings. He has been in
the room during some telemarketing meetings. He has overheard
some of the brokers' telephone calls and said that any customer
complaints that he is aware of have been routine complaints about
problems such as slow service.

[redacted] is employed at
JBOC. He said that [redacted] got him the job at the firm.

[redacted] for JBOC's
computer system assigned to him.

The following is a description of [redacted]

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Ethnicity: [redacted]
Sex: Male
Age: [redacted]
Height: 6'2"
Weight: 160
Hair: Blond
Eyes: Blue
Driver's License: [redacted]

Investigation on 08/19/97 at Beverly Hills, CA

File # 196C-LA-208098-302-76

by SA [redacted] Date dictated 08/26/97

196C-UA-208098-302-76

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SERIALIZED	FILED
SEP 1968	
FBI - NEW YORK	

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/26/97

[redacted] date of birth: [redacted] social security number: [redacted] residential address: [redacted] Los Angeles, CA 90042-1177, was interviewed at the offices of J.B. OXFORD COMPANY (JBOC), 9665 Wilshire Blvd., 3rd Floor, Beverly Hills, CA. After being advised of the official identity of the interviewing agent and the purpose of the interview, [redacted] provided the following information:

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[redacted] is employed by JBOC as [redacted]. He was also a [redacted] with JBOC for three to four months. [redacted] was hired in [redacted]. He was interviewed for the position by [redacted]. His immediate supervisor is [redacted]. [redacted] reports directly to [redacted] and to [redacted].

[redacted] was employed by [redacted] for [redacted] as a [redacted]. He also worked for [redacted] for [redacted] as a [redacted].

IRVING KOTT handles JBOC's advertising. He is not involved in the firm's hiring or firing. [redacted] thinks that KOTT has an office at JBOC, but he is not sure exactly where this office is. Approximately [redacted] after [redacted] was hired by JBOC, he asked [redacted] about an article in the WALL STREET JOURNAL which said that IRVING was affiliated with JBOC and handled the firm's advertising. At that time, [redacted] was told by [redacted] to say to anyone who asked, that IRVING handled JBOC's advertising. [redacted] has never been to a sales meeting where IRVING KOTT was present.

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b7C

[redacted] thinks that [redacted] may be in charge of JBOC's back office. [redacted] does not know who [redacted] reports to. [redacted] has seen [redacted] but he has no knowledge of what she does at JBOC. [redacted] is the [redacted] of JBOC.

As far as [redacted] knows, neither IRVING nor [redacted] have taken work home from JBOC. [redacted] told [redacted] about one meeting that was held at KOTT's residence. [redacted] does not know the topic(s) of that meeting.

J.B. OXFORD HOLDINGS (JBOH) is the stock company of JBOC. LEGACY SOFTWARE was JBOC's first public offering in June, 1996. Stock in the HARISTON CORPORATION was handled by JBOC

Investigation on 08/19/97 at Beverly Hills, CA

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File # 196C-LA-208098 - 302-77

by SA [redacted]

Date dictated 08/26/97

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Continuation of FD-302 of [REDACTED], On 08/19/97, Page 2

before [REDACTED] was hired. JBOC had a large number of residual clients from REYNOLDS, KENDRICK and STRATTON (RKS) who had HARISTON stock. [REDACTED] does not know if JBOC is still selling this stock. CELLTECH is another RKS residual stock. The CEO of OPTHAMALIC IMAGING SYSTEMS, INC. (OIS) spoke to the JBOC's brokers about OIS approximately 1 ½ years ago. [REDACTED] has not heard of TURRET CONSULTING, E.B.C. TRUST, ARABELLA S.A., OERI FINANCE or SYNERGY RENEWABLE RESOURCES, INC., formerly known as WESTERN AND PACIFIC. b6 b7c

[REDACTED] has never been encouraged to promote specific stocks. [REDACTED] has never been instructed to discourage his customers from selling or to find a buyer within the firm to match sell orders. He has never been asked to promote stocks based on unreported press releases. [REDACTED] has never been asked to trade JBOH stock based on insider information. [REDACTED] is not aware of any customer complaints against JBOC.

[REDACTED] is not aware of illegal activity on the part of JBOC or JBOH by IRVING KOTT or other executives. He is not aware of improper activity involving JBOC brokers or traders.

The customer complaints that [REDACTED] is aware of are routine. There have been none against himself nor against any of the other brokers at the firm.

[REDACTED] does not know of storage facilities for documents and files outside of JBOC's office. [REDACTED] password for JBOC's computer system is [REDACTED]. His ID is [REDACTED].

The following is a description of [REDACTED]

Ethnicity:	Asian
Sex:	Male
Age:	[REDACTED]
Height:	5'10"
Weight:	175
Hair:	Black
Eyes:	Brown
Driver's license:	[REDACTED]

b6
b7c

196C-LA-22008-302-77

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FEDERAL BUREAU OF INVESTIGATION

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OTHER Per Sealing Order

Date of transcription 08/20/1997

On [] a Federal Search Warrant issued by the
U.S. District Court, Central District of California, was executed

[] Photographs were taken both prior
to and upon completion of the search []. SA []
photographed the scene.

Attached hereto is a copy of the Photographic Log
listing the photographs which were taken. The original
Photographic Log was placed into a 1A envelope and made part of
the case file.

Investigation on [] at Los Angeles

OTHER Per Sealing Order

b6

File # 196C-LA-208098 - 302-78

b7C

by SA []

Date dictated 08/20/1997

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8-21-97

[redacted]
J.B. Oxford and Company (JBOC), 9665 Wilshire Boulevard, Third Floor, Beverly Hills, California, was interviewed at his place of business, and provided the following information:

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His home address is [redacted] California, [redacted] telephone number [redacted] California drivers license [redacted] date of birth [redacted] social security number [redacted] height 5'8", weight 170 pounds, sex male, brown eyes, and black hair.

He has been employed at JBOC for [redacted] has the computer password of [redacted] and [redacted] is [redacted]

[redacted] works in the [redacted] department. His normal working hours are [redacted] For the last year, his immediate supervisor has been [redacted] prior to [redacted] for approximately [redacted] it was [redacted]

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b7C

When [redacted] was hired, [redacted] then the operations manager, interviewed him for his position. [redacted] and so he decided to apply for a job. He completed an application, and was interviewed and hired.

[redacted] knows who IRVING KOTT is, but he does not know what IRVING KOTT's title or position is. He does not know where IRVING KOTT's office is, he only knows that IRVING KOTT comes in to the office occasionally.

[redacted] says that [redacted] comes in to the office with IRVING KOTT. He does not know what [redacted] position is or who she reports to.

b6
b7C

[redacted] is the director of operations. He reports to [redacted] who is the [redacted] of JBOC. [redacted] believes that [redacted] is in the highest position in the company.

[redacted] does not know what kind of work IRVING KOTT or

Investigation on 8-19-97 at Beverly Hills, CA

File # 196C-LA-208098 - 79

by SA [redacted]

Date dictated 8-21-97

196C-LA-208098

Continuation of FD-302 of [REDACTED]

, On 8-19-97

, Page

2

b6

b7c

[REDACTED] would take home to work on.

[REDACTED] said that there is a storage area two blocks from this office, he is unsure of the address, but it is two blocks west on Wilshire. The storage area is a large area in the basement of a building, and it holds the trading records that need to be stored to stay in compliance for NASDAQ.

[REDACTED] has never heard of TURRET CONSULTANTS, E.B.C. TRUST, ARABELLA S.A., OR OERI FINANCE. He remembers seeing orders for customers buying or selling stock for the company's HARISTON CORPORATION, OPHTHALMIC IMAGING SYSTEMS, INC., LEGACY SOFTWARE, AND WESTERN AND PACIFIC. J.B. OXFORD HOLDINGS is JBOC's company stock, and has been on the market for quite a few years. He does not know anything about CELLTECH.

[REDACTED] has not heard about KOTT suggesting or promoting any security at JBOC. [REDACTED] does not know anything about the sales staff being instructed to push a specific stock. b6 b7c

[REDACTED] works in the 'back office' and works on the computer, he deals more with the correspondence than with clients. [REDACTED] has never been to a sales meeting.

[REDACTED] is not aware of any improper or questionable activity involving trading and management at JBOC by KOTT or any other executive of JBOC. [REDACTED] is not aware of any improper activities involving the brokers or the traders of JBOC. b6 b7c

[REDACTED] said the customer complaints he hears about are usually about how the customer couldn't get through on the phone lines because it is so busy. [REDACTED] does not know of any specific stock complaints.

196C-LA-208098-302-79

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 18 1997	
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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8-21-97

[redacted] J.B. OXFORD AND COMPANY (JBOC), 9665 Wilshire Boulevard, Suite 210, Beverly Hills, California, was interviewed at his place of business, and provided the following information:

His home address is [redacted] Los Angeles, California, 90046, telephone number [redacted] California's Drivers License [redacted] date of birth [redacted] [redacted] social security number [redacted] height 5'9", weight 165 pounds, brown eyes and brown hair.

b6
b7C

[redacted] has been employed for [redacted] at JBOC, as a [redacted]. His supervisor is [redacted] computer password for the general network is [redacted] and for the SIS is [redacted]

Prior to working at JBOC, [redacted] worked for [redacted] at the [redacted]. He was a [redacted] for [redacted] and a [redacted] for [redacted] so he took this [redacted] in the [redacted] he is [redacted]

After high school, he attended [redacted] [redacted] and took several classes at [redacted] [redacted] applied at JBOC because he had a [redacted] [redacted] however is starting back with the company the [redacted]. The hiring process included completing an application, and interviewing with [redacted] and [redacted] formerly the [redacted] however no longer with JBOC.

b6
b7C

[redacted] has met IRVING KOTT. [redacted] was involved with the [redacted] KOTT was the individual who set up the [redacted]

and
The [redacted]

Investigation on 8-19-97 at Beverly Hills, CA

File # 196C-LA-208098 - 302-80

by SA [redacted] Date dictated 8-21-97

b6
b7C

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Continuation of FD-302 of [REDACTED]

, On 8-19-97

, Page 2

b6
b7C

[REDACTED] did not work as well as it was expected, and they have moved to [REDACTED]

[REDACTED] does not know if KOTT reports to anyone, KOTT seemed to be management. Any office KOTT would have, would be on the third floor, [REDACTED] KOTT is not in the building all the time, he periodically comes in. [REDACTED] KOTT was maybe [REDACTED]

[REDACTED] had the impression that KOTT had a say in hiring and firing employees. KOTT comes across as very intimidating.

[REDACTED] does not know [REDACTED] is [REDACTED] is [REDACTED] and works on the third floor as part of management. [REDACTED] assumes that [REDACTED] reports to [REDACTED]

b6
b7C

[REDACTED] does not know of any work that IRVING KOTT would take home with him. From the [REDACTED] [REDACTED] and the [REDACTED] to IRVING KOTT.

[REDACTED] does not know anything about any meetings that might be held at IRVING KOTT's. [REDACTED] has never been given any instructions regarding what to tell people who inquire about KOTT's status at JBOC.

[REDACTED] has heard that there is a storage area somewhere, but he doesn't know where it is.

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b7C

[REDACTED] has never heard of E.B.C. TRUST, ARABELLA S.A., OERI FINANCE, HARISTON CORPORATION, OPHTHALMIC IMAGING SYSTEMS INC., SYNERGY RENEWABLE RESOURCES INC., WESTERN AND PACIFIC, or CELLTECH.

[REDACTED] has heard of LEGACY SOFTWARE. [REDACTED] at JBOC was [REDACTED] to JBOC. [REDACTED] read the TIME MAGAZINE article in January, and knows that IRVING KOTT has some problems. [REDACTED] asked [REDACTED] about the article, and if there were some things that he should know about IRVING KOTT. [REDACTED] said he took some time to determine if JBOC was a crooked firm, and he determined that the company doesn't seem dishonest, and the company isn't dishonest with customers. [REDACTED] then assumed that whatever went on is over.

[REDACTED] knows that JB OXFORD HOLDINGS is the parent company

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Continuation of FD-302 of [redacted], On 8-19-97, Page 3

of JB OXFORD, and JB ONLINE.

[redacted] said that no securities are ever suggested or promoted at JBOC. When customers ask [redacted] for advice, he advised them that he [redacted] and he [redacted]. He is dealing with [redacted]. There is no push on stock in the [redacted] is unsure if it is the same upstairs in the third floor trading room. [redacted] provides no advice at all to customers. If the customers ask for advice, [redacted] tells them that [redacted].

b6
b7C

[redacted] recalls IRVING KOTT being at a sales meeting, approximately [redacted] in which KOTT came into the meeting to talk about the [redacted] and how wonderful it was and how it [redacted]. This was before the [redacted].

[redacted] is [redacted] of JBOC. [redacted] has never directly seen [redacted] reporting to IRVING KOTT, he believes that all executive management is on an even playing field.

[redacted] is not aware of any improper or questionable activity involving trading and management at JBOC by KOTT or any brokers or traders.

b6
b7C

The customer complaints that [redacted] has dealt with all involve technical support. The calls are usually regarding: the software is too slow, the passwords are not automatically assigned, the buyer power is not reflected properly on the system, trade disputes, and other technical matters.

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/20/97

On August 19, 1997, [redacted]
[redacted] CA [redacted] Date of Birth [redacted] Social
Security Number [redacted] was interviewed at his place of
employment, J.B. OXFORD, 9665 Wilshire Blvd., Beverly Hills, CA.
After being informed of the identity of the interviewing agents
and the nature of the interview, [redacted] provided the following:

[redacted] has been an [redacted] for J.B. OXFORD
since [redacted] He interviewed for this position with [redacted]
[redacted] and [redacted] Previously,
[redacted] was a [redacted] for [redacted] for [redacted]
and [redacted] as a [redacted] for [redacted]
[redacted] has a [redacted] degree in [redacted] from
[redacted]

b6
b7C

[redacted] is not sure what IRVING KOTT's position and
responsibilities are at JBOC and is not aware of him reporting to
anyone. During the hiring process, while on the third floor,
[redacted] saw a nice office and was told that it was IRVING KOTT's
office. [redacted] does not know if KOTT is involved in hiring and
firing of personnel.

[redacted] had no knowledge of or information regarding:
[redacted] work being taken home, meetings held at
KOTT's residence, storage of documents and files, TURRET
CONSULTANTS, E.B.C. TRUST, ARABELLA S.A., OPHTHALMIC IMAGING
SYSTEMS, INC., LEGACY SOFTWARE, SYNERGY RENEWABLE RESOURCES,
INC., formerly known as WESTERN AND PACIFIC, CELLTECH.

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b7C

[redacted] understood that FELIX FINANCE is the largest
share holder at J.B. OXFORD. HARISTON CORPORATION was a
corporation that [redacted]
[redacted]
[redacted]

[redacted] is the [redacted] and holds some type
of management position. [redacted] does not know who [redacted]
reports to. When he comes to the eight floor, [redacted]
[redacted]

Investigation on 08/19/97 at Los Angeles, CA

File # 196C-LA-208098 - 302-81

SA [redacted]
by SA [redacted]

Date dictated 08/20/97

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Continuation of FD-302 of [REDACTED], On 08/19/97, Page 2

[REDACTED] has never been given instructions as to what to tell people who inquire about KOTT's status. He read the article in Time Magazine and learned more about KOTT from the article than he knew from working at J.B. OXFORD. It is common knowledge, at work, that KOTT runs things. However, it is not discussed. b6 b7C

[REDACTED] has [REDACTED] However, after today he is not sure that this is a good thing. He has been considering [REDACTED] The events of today may help him to make that decision.

[REDACTED] has no information as to what the sales staff are instructed to do. He [REDACTED]

He [REDACTED]

[REDACTED] is the [REDACTED] Officially, he does not report to IRVING KOTT. It is rumored that he does. [REDACTED] has seen KOTT in the office more than he has seen [REDACTED] b6 b7C

[REDACTED] is personally not aware of any improper or questionable activity involving trading and management at JBOC by KOTT or any other executives of JBOC. Two or three months ago, he heard that some type of complaint had been settled for a million dollars. There have never been any complaints against [REDACTED] and he has never been asked by KOTT or anyone at JBOC to promote stocks based on unreported press releases. As far as he knows, he has never been asked to trade stock based on insider information.

[REDACTED] If there is ever a question, [REDACTED]

966-1A-208078-22-81

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8-20-97

[redacted] J.B. Oxford and Company (JBOC), 9665 Wilshire Boulevard, Suite 210, Beverly Hills, California, was interviewed at his place of business, and provided the following information:

His home address is [redacted]
[redacted] voice mail telephone number [redacted]
[redacted] California drivers license [redacted] date of birth [redacted]
[redacted] Social Security number [redacted] height 5'7", weight 170 pounds, Sex Male, blue eyes, and brown hair.

b6
b7c

He first started working with JBOC in [redacted] as [redacted] through [redacted] and [redacted] was officially hired as an employee in [redacted] His immediate supervisor is [redacted] His network password is [redacted] and his SIS password is [redacted] Prior to working at JBOC, he was a [redacted] at [redacted] where for [redacted] he did [redacted] at an [redacted] and other [redacted]

Since he has worked at JBOC, he has always been a [redacted] His previous manager was [redacted] [redacted] was not interviewed for this employment position, he was just called by his [redacted] and told to show up on Monday, and report to [redacted] shortly after working as a [redacted] he was presented with a salary package, and offered a full-time permanent position.

[redacted] knows the name IRVING KOTT, and has seen KOTT, but KOTT does not seem to be an approachable person, and [redacted] has never personally met him or talked with him. He knows that KOTT owns the company, and [redacted] has seen KOTT walking around the halls. [redacted] is unsure if KOTT has an office in the building.

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b7c

[redacted] heard that KOTT does have a say in who is hired and fired within JBOC. [redacted] heard that KOTT was upset about [redacted] and then [redacted] [redacted] never talked to [redacted] to verify this.

KOTT's authority has never been defined. There was a

Investigation on 8-19-97 at Beverly Hills, CA

File # 196C-LA-208098-251-82

by SA [redacted] Date dictated 8-20-97

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Continuation of FD-302 of [REDACTED], On 8-19-97, Page 2

memo that [REDACTED] wrote regarding KOTT right after a magazine article came out about KOTT, that said to contact [REDACTED] regarding any matters concerning KOTT. There was also a rebuttal article [REDACTED] wrote to the magazine regarding that KOTT is not a behind the scene operator.

He has seen [REDACTED] around this company before. Her name used to be [REDACTED] but he isn't really sure who she is, or what she does.

b6
b7c

[REDACTED] is either a [REDACTED] of something, possible of operations, or the partner of the firm or something. [REDACTED] is unsure who [REDACTED] reports to.

He is unsure of any type of work that IRVING KOTT or [REDACTED] would take home. He is unsure if there were ever meetings held at KOTT's home.

He has heard that there is an archive storage facility somewhere, but he is unsure where it is.

He has never heard of TURRET CONSULTANTS, E.B.C TRUST, ARABELLA S.A., OERI FINANCE, HARISTON CORPORATION, LEGACY SOFTWARE, SYNERGY RENEWABLE RESOURCES, INC., WESTERN AND PACIFIC, or CELLTECH.

OPHTHALMIC IMAGING SYSTEMS, INC., he has possibly seen on a customer account.

[REDACTED] knows that J.B. OXFORD HOLDINGS (JBOH) is the stock for the company, and he's seen it on customer accounts.

He is not aware of any stocks that are promoted in the company, they only give quotes. He recently obtained his [REDACTED] however he [REDACTED] and [REDACTED] and [REDACTED]

He has never been instructed to discourage his customers from selling or to find a buyer within the firm to match any sell orders.

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b7c

He has [REDACTED]
[REDACTED] is [REDACTED] of the company. It has never been articulated to [REDACTED] who [REDACTED] reports to.

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Continuation of FD-302 of [redacted], On 8-19-97, Page 3 b6
b7C

[redacted] is not aware of any type of questionable or improper activity involving KOTT or any brokers or traders at JBOC.

The [redacted] he usually deals with are about the

[redacted]

The department where [redacted] works is [redacted] and they [redacted]

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SEARCHED	INDEXED
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FEDERAL BUREAU OF INVESTIGATION

Date of transcription

[redacted] JB Oxford
Company(JBOC)/Stocks 4 Less, 9665 Wilshire Blvd., Suite 210, Beverly Hills, CA was interviewed at his place of business. After being advised of the official identity of the interviewing agent and the purpose of the interview, [redacted] then voluntarily provided the following information:

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b7C

She has been working [redacted] as a [redacted]
[redacted] since [redacted] She reports to [redacted] was the person who originally interviewed and hired her for the job. Prior to this position, she worked for the [redacted] as a [redacted]

She has heard of IRVING KOTT and has seen him occasionally in the building. She believes he is one of the executives at JBOC but, she does not know his exact position or responsibilities. She also believes that his office is on the third floor but, she has never seen him in any particular office. She does not know if KOTT has a say in the hiring or firing.

She thinks that she has seen [redacted] and [redacted]
[redacted] names listed as one of the executives but, she's not really sure.

[redacted] is one of the executives who is responsible for the [redacted]
[redacted] She see's him [redacted] because he is usually checking on things with some of the managers. She does not know if he reports to anyone.

She has never heard of Turrett Consultants, EBC TRUST, Arabella S.A., Oeri Finance, Hariston Corporation, Ophthalmic Imaging Systems, Legacy Software, Synergy Renewable Resources (Western and Pacific) or Celltech. She has heard of J.B. Oxford Holdings because she saw the financial status booklet/Q10 in the breakroom when she first started.

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In her position as a [redacted]
[redacted] She provides information on the company but, she is not allowed to give any information relating to securities or make any comments regarding companies. [redacted]

She has never been asked to promote certain securities nor has it ever been

Investigation on 8/19/97 at Beverly Hills, CA

File # 196C-LA-208098 - 302-86

by

Date dictated 8/19/97

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Continuation of FD-302 of , On 8/19/97, Page 2

suggested to him. She has never been given any sales script nor has he been instructed to discourage customers from selling or to find a buyer within the firm to match any sell order. She has never been asked to trade JBOH stock on insider information or to promote stocks based on unreported press releases.

She is not aware of any improper or questionable activity involving trading and management at JBOC nor is she aware of any improper activity with the brokers or traders.

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b7c

She is not aware of any customer complaints against herself. The only customer complaints to her knowledge are usually related to the length of time waiting on the telephone to speak to a trader/broker.

 is further described as:Name:
Address:

Mailing Address:

Telephone:
Date of Birth:
Social Security#:
Ca Drivers License:
Race:
Height:
Weight:
Hair/Eyes:
5'4
107
Blonde/Green

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/19/97

[redacted] JB Oxford Company(JBOC)/Stocks 4 Less, 9665 Wilshire Blvd., Suite 210, Beverly Hills, CA was interviewed at his place of business. After being advised of the official identity of the interviewing agent and the purpose of the interview, [redacted] then voluntarily provided the following information:

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b7C

He has been working for Stocks 4 Less/J.B. Oxford for [redacted] as a [redacted]. He reports to [redacted] who was also the person that interviewed him for the job. Prior to this position, he worked for [redacted] which is where he met [redacted]. [redacted] is owned by [redacted] and because [redacted]. He thinks that JB Oxford came to [redacted] a couple of times for meetings but, he is not sure of the time frame.

He has heard of IRVING KOTT but, does not know what position he holds at JBOC. He has also heard KOTT'S name mentioned when he worked at [redacted]. He recalls being told by [redacted] that KOTT was one of the investors at [redacted]. He does not know if KOTT is involved with the hiring or firing at JBOC.

He has never heard of [redacted] or [redacted]. [redacted] is the person responsible for [redacted].

He has never heard of Turrett Consultants, EBC TRUST, Arabella S.A., Oeri Finance, Hariston Corporation, Ophthalmic Imaging Systems, J.B. Oxford Holdings (JBOH), Synergy Renewable Resources (Western and Pacific) or Celltech.

Since he is a [redacted]. Therefore, he has never been asked to promote certain securities nor has it ever been suggested to him. He has never been asked to trade JBOH stock on insider information or to promote stocks based on unreported press releases.

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He is not aware of any improper or questionable activity involving trading and management at JBOC nor is he aware of any improper activity with the brokers or traders. He is also not aware of any customer complaints. He has heard that IRVING KOTT was banned from getting involved with any securities dealing because of previous problems. He

Investigation on 8/19/97 at Beverly Hills, CAFile # 196C-LA-208098 -302-87by [redacted] Date dictated 8/19/97

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recalls reading about this on the Internet.

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is further described as:

Name:	
Address:	 Los Angeles, CA 90029
Telephone:	
Date of Birth:	
Social Security#:	
Race:	
Height:	5'6ft
Weight:	137
Hair/Eyes:	Brown/Brown
Miscellaneous:	

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/19/97

[redacted] JB Oxford Company(JBOC)/Stocks 4 Less, 9665 Wilshire Blvd., Suite 210, Beverly Hills, CA was interviewed at his place of business. After being advised of the official identity of the interviewing agent and the purpose of the interview, [redacted] then voluntarily provided the following information:

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b7C

He has been working for Stocks 4 Less/J.B. Oxford for [redacted] as a [redacted] He reports to [redacted] who was also the person that interviewed him for the job. Prior to this position, he worked for [redacted] When he ordinarily interviewed for this position [redacted] he was told that a [redacted]

He has never heard of [redacted] or [redacted] He has heard [redacted] name mentioned but, has never met him nor does he know what [redacted] does at the company.

He has never heard of Turrett Consultants, EBC TRUST, Arabella S.A., Oeri Finance, Hariston Corporation, Ophthalmic Imaging Systems, Legacy Software, J.B. Oxford Holdings (JBOH), Synergy Renewable Resources (Western and Pacific) or Celltech.

He has never been asked to promote certain securities nor has it ever been suggested to him. He has never been given any sales script nor has he been instructed to discourage customers from selling or to find a buyer within the firm to match any sell order. He has never been asked to trade JBOH stock on insider information or to promote stocks based on unreported press releases.

He is not aware of any improper or questionable activity involving trading and management at JBOC nor is he aware of any improper activity with the brokers or traders.

He is not aware of any customer complaints against himself. The only customer complaints to his knowledge are usually related to the length of time waiting on the telephone to speak to a trader/broker.

Investigation on 8/19/97 at Beverly Hills, CA

File # 196C-LA-208098 - 302-88

by [redacted]

Date dictated 8/19/97b6
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Continuation of FD-302 of

[Redacted]

, On 8/19/97

, Page 2

[Redacted]

is further described as:

b6
b7C

Name:

[Redacted]

Address:

Los Angeles, CA 90006

Telephone:

n/a

Date of Birth:

[Redacted]

Social Security#:

Race:

Height:

6'4ft

Weight:

175

Hair/Eyes:

Black/Brown

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/19/97

[redacted] JB Oxford Company(JBOC)/Stocks 4 Less, 9665 Wilshire Blvd., Suite 210, Beverly Hills was interviewed at his place of business. After being advised of the official identity of the interviewing agent and the purpose of the interview, [redacted] then voluntarily provided the following information:

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He has been working for Stocks 4 Less/J.B. Oxford for [redacted] as [redacted] He reports to [redacted] who was also the person that interviewed him for the job. He has been in this line of business for approximately [redacted] and worked for himself prior to this position.

He has heard of Irving Kott but, has never met him. He does not know anything about him nor does he know anything about Kott's position with the company. He has heard of [redacted] but, has never met him nor does he know his position with the company.

[redacted] is the person that [redacted] but, he does not know who he reports to.

He has never heard of [redacted] Turrett Consultants, EBC TRUST, Arabella S.A., Oeri Finance, Hariston Corporation, Ophthalmic Imaging Systems, Legacy Software, J.B. Oxford Holdings, Synergy Renewable Resources (Western and Pacific) or Celltech.

He has never been asked to promote certain securities nor has it ever been suggested to him. He has never been given any sales script nor has he been instructed to discourage customers from selling or to find a buyer within the firm to match any sell order. He has never been asked to trade JBOH stock on insider information or to promote stocks based on unreported press releases.

Since he works [redacted] [redacted] He is not aware of any improper or questionable activity involving trading and management at JBOC nor is he aware of any improper activity with the brokers or traders.

Investigation on 8/19/97 at Beverly Hills, CA

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b7C

File # 196C-LA-208098 - 302 - 89

by [redacted] Date dictated 8/19/97

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Continuation of FD-302 of , On 8/19/97, Page 2

He is not aware of any customer complaints against himself. The only customer complaints to his knowledge are usually related to the length of time waiting on the telephone to speak to a trader/broker.

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b7C

is further described as:

Name:
Address:

Telephone:
Date of Birth:
Social Security#:
Height:
Weight:
Hair/Eyes:
Miscellaneous:

6'ft

175

Blond/Blue

computer password =

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/20/97

On August 19, 1997, the following interview was conducted by Special Agent (SA) [redacted] Federal Bureau of Investigation (FBI).

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[redacted] was interviewed at his place of employment, J.B. OXFORD COMPANY, 9665 Wilshire Boulevard, Beverly Hills, California. After SA [redacted] identified himself, [redacted] provided the following information:

[redacted] date of birth [redacted] resides at [redacted] [redacted] California. His home telephone number is [redacted] [redacted] his social security account number is [redacted] and his California Driver's License number is [redacted]. He is 6 feet 0 inches tall, 170 pounds, a white male, with blue eyes and blonde hair.

[redacted] has been employed as a stockbroker with J.B. OXFORD for [redacted]. He has not held any other positions than stockbroker with J.B. OXFORD COMPANY. He was previously employed at [redacted] from [redacted]. His immediate supervisor is [redacted] and his computer passwords are [redacted] and [redacted].

[redacted] interviewed [redacted] for his job as [redacted] and [redacted] was interviewed on a Friday then hired on a Monday.

b6
b7C

[redacted] was unsure what position IRVING KOTT held at J.B. OXFORD COMPANY, and did not know to whom IRVING KOTT reported, if anyone. [redacted] also said that he did not know where IRVING KOTT's office was or if he had a say in hiring or firing anyone.

[redacted] said that he did not know what responsibilities [redacted] had at J.B. OXFORD COMPANY, to whom she reported, what kind of work IRVING KOTT or [redacted] took home, or what kind of meetings were held at IRVING KOTT's residence.

[redacted] said that he was never given any instructions regarding what to tell people who asked about IRVING KOTT's status at J.B. OXFORD COMPANY, although buyers did ask questions after the article about IRVING KOTT appeared in TIME MAGAZINE.

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b7C

Investigation on 8/19/97 at Beverly Hills, CA

File # 196C-LA-208098-302-94

by SA [redacted] Date dictated

196C-LA-208098

Continuation of FD-302 of [REDACTED], On 8/19/97, Page 2

[REDACTED] said that he did not know about any off-site storage facilities used by J.B. OXFORD COMPANY.

[REDACTED] was asked about the following companies and individuals but said that he was unfamiliar with them: TURRET CONSULTANTS, E.B.C. TRUST, ARABELLA S.A., OERI FINANCE, HARRISTON CORPORATION, OPHTHALMIC IMAGING SYSTEMS, INC.; SYNERGY RENEWABLE RESOURCES INC., WESTERN AND PACIFIC, or CELLTECH.

[REDACTED] was familiar with LEGACY SOFTWARE as an Initial Public Offering, but [REDACTED] said that he was not "forced to sell" LEGACY SOFTWARE. He was mailed a copy of the prospectus for LEGACY and the President of LEGACY, whose name [REDACTED] did not recall, came to J.B. OXFORD COMPANY and talked to the brokers. [REDACTED] said that J.B. OXFORD HOLDINGS was never discussed by the staff at J.B. OXFORD COMPANY.

b6
b7c

[REDACTED] said that IRVING KOTT never discussed any securities to be promoted at J.B. OXFORD COMPANY, and that the sales staff was never instructed to push a specific stock, although they were aware of stocks that J.B. OXFORD COMPANY was selling. [REDACTED] said that there were no sales quotas, but that there were specific limits, which were set by dividing up sales among the brokers. [REDACTED] said that he was never given any sales scripts for the companies named above.

[REDACTED] said that he had never been instructed to discourage any customers at J.B. OXFORD COMPANY from selling, or to find a buyer within the firm to match any sell orders.

[REDACTED] said that he had discouraged buyers from selling as an individual broker and not at the request of J.B. OXFORD COMPANY. [REDACTED] said that he did not recall that IRVING KOTT was present at any sales meeting although [REDACTED] was at a meeting where IRVING KOTT discussed the new commercials for the firm. [REDACTED] could not recall the date when this meeting took place.

b6
b7c

[REDACTED] said that [REDACTED] is the [REDACTED] of J.B. OXFORD COMPANY, but did not know if he reported to IRVING KOTT.

[REDACTED] said that he was not aware of any improper or questionable activity involving trading and management at J.B. OXFORD COMPANY by IRVING KOTT, any other executives, or any brokers or traders. [REDACTED] said that he was unfamiliar with any customer complaints against J.B. OXFORD COMPANY or himself, and that he had never been asked by IRVING KOTT or anyone else to promote stocks based on unreported press releases, and was never asked to trade J.B. OXFORD HOLDINGS stock on insider information.

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/22/97

On August 22, 1997, SA [redacted] interviewed [redacted] (DOB [redacted] CADL [redacted] SSAN [redacted] female, brown eyes, brown eyes, 5'3", 100 pounds, [redacted] CA [redacted] at the office of J.B. Oxford Holdings, Inc. [redacted] provided the following information:

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b7C

[redacted] stated that she is a [redacted] at J.B. Oxford, and has been employed there for [redacted]. She has never held any other positions at this company. Her immediate supervisor is [redacted]. Her computer passwords is [redacted].

Prior to her employment at J.B. Oxford, she worked odd jobs. She was interviewed for her position by [redacted] said that her hiring process entailed two sets of interviews, and filled out an application and provided a resume.

[redacted] said she believes IRVING KOTT is in marketing, but she does not know who he reports to. She also does not know where he has an office, and she does not believe he has a say in hiring or firing. Similarly, she does not know who [redacted] is, and could not provide any information about her. She does not know anything about work either IRVING KOTT or [redacted] takes home, and does not know about any meetings at KOTT'S home. [redacted] said she was given no instructions regarding KOTT'S status at J.B. Oxford. [redacted] said she believes [redacted] is a [redacted] but she does not know who he reports to.

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b7C

[redacted] has no idea what storage facilities exist for J.B. Oxford. She has never heard of Turret Consultants, and she does not know who works for them. She also knows nothing about E.B.C. Trust, Arabella S.A., or OERI Finance.

[redacted] was familiar with Hariston Corporation, Ophthalmic Imaging Systems, Inc., Legacy Software, J.B. Oxford Holdings, Synergy Renewable Resources, Inc., formerly known as Western and Pacific, and Celltech. She said they were all before she was hired. She said she has some clients who still have interests in them.

[redacted] said as far as she knows KOTT does not suggest or promote any securities, and she was never instructed to push a specific stock.

b6
b7C

[redacted] was never given sales scripts to promote companies. She was never

Investigation on 8/19/97 at Los Angeles, CA

File # 196C-LA-208098-302-95

by SA [redacted]

Date dictated _____

196C-LA-208098

Continuation of FD-302 of [REDACTED], On 8/19/97, Page 2 b6 b7C

instructed to discourage customers in any way or find buyers within the firm for anything.

She has heard KOTT discuss advertising at a sales meetings which took place about three months ago in the office. [REDACTED] said [REDACTED] is the [REDACTED] of the corporation, but she has no idea if he reports to IRVING KOTT.

[REDACTED] is not aware of any improper activities by anyone, management or brokers, at J.B. Oxford. She is not familiar with any complaints against the company or herself.

Finally [REDACTED] has never been asked to promote stocks based on unreported press releases or asked to trade anything on insider information.

1460-1A-208078-302-95

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 15 1997	
FBI - LOS ANGELES	

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/22/97

On August 19, 1997, SA [redacted] interviewed [redacted] (DOE [redacted] CADL [redacted] SSAN [redacted] male, blue eyes, brown hair, 145 pounds, address [redacted] Los Angeles, CA 90036, [redacted] at the office of J.B. Oxford Holdings, Inc. [redacted] provided the following information:

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b7C

[redacted] stated that he is a [redacted] at J.B. Oxford, and has been employed there for [redacted]. He has never held any other positions at this company. His immediate supervisor is [redacted]. His computer passwords are [redacted] and [redacted].

Prior to his employment at J.B. Oxford, he worked at [redacted] in Los Angeles. He has been in the brokerage business for [redacted]. He was interviewed at the position by [redacted]. [redacted] said that his hiring process entailed only basic interviews, and he did not fill out an application. He said his friend [redacted] told him about the opening.

[redacted] said he does not know who [redacted] is, and he does not know what jobs or responsibilities he has. He also does not know where he has an office. Similarly, he does not know who [redacted] is, and knows nothing about her. [redacted] said he was never given any instructions regarding [redacted] status at J.B. Oxford.

[redacted] has no idea what storage facilities exist for J.B. Oxford. He has never heard of Turret Consultants, and he does not know who works for them. He also knows nothing about E.B.C. Trust, Arabella S.A., or OERI Finance.

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b7C

[redacted] has no idea about Hariston Corporation, Ophthalmic Imaging Systems, Inc., Legacy Software, J.B. Oxford Holdings, Synergy Renewable Resources, Inc., formerly known as Western and Pacific, and Celltech. He said he was told nothing about them.

[redacted] has no idea what securities KOTT suggests or promotes, or anything else involving him.

[redacted] was never given sales scripts to promote companies. He was never instructed to discourage customers in any way or find buyers within the firm for anything.

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b7C

He has never heard KOTT at sales meetings. [redacted] said he believes

Investigation on 8/19/97 at Los Angeles, CA

File # 196C-LA-208098 - 300 - 916

by SA [redacted]

Date dictated

196C-LA-208098

Continuation of FD-302 of [REDACTED], On 8/19/97, Page 2

[REDACTED] is the [REDACTED] of the corporation, but he has no idea if he reports to IRVING KOTT.

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b7C

[REDACTED] is not aware of any improper activities by anyone, management or brokers, at J.B. Oxford. The only complaints he has heard are that there are not enough people in customer service, and he has never had any complaints against himself.

Finally, [REDACTED] has never been asked to promote stocks based on unreported press releases or asked to trade anything on insider information.

1966-LA-208098-302-96

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 15 1997	
FBI - LOS ANGELES	

MSIS

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/20/97

[redacted] DOB [redacted]
Los Angeles, California, was interviewed at her place of employment. After being advised of the official identity of the interviewing agent and the nature of the interview, [redacted] provided the following:

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[redacted] stated that she has been employed with J.B. Oxford as an [redacted] to [redacted] and [redacted] since [redacted] was hired by J.B. Oxford through [redacted]

[redacted] stated that IRVING KOTT was a consultant but did not know who he reports to. [redacted] was not aware if KOTT had an office in Beverly Hills, but thought that he had an office in Canada at Turret Consulting. [redacted] stated that KOTT was in the office only once a month. [redacted] did not know if KOTT had hiring or firing authority.

[redacted] stated that [redacted] was KOTT's [redacted] and that she [redacted] stated that [redacted] was the [redacted] was unaware of KOTT or [redacted] taking work home. [redacted] was unaware of KOTT holding any meetings at his residence.

b6
b7C

[redacted] stated that she was not given any instruction on how to respond to questions regarding KOTT, nor was she aware of any storage facility for company documents. [redacted] was unaware of what Turret Consulting did or who worked for them.

[redacted] stated that she knew nothing about E.B.C. Trust, Arbella S.A., or Oeri Finance. [redacted] stated that she was told nothing about Hariston Corporation, Ophthalmic Imaging Systems, Inc., Legacy Software, J.B. Oxford Holdings, Synergy Renewable Resources or Celltech.

[redacted] stated that she was not in sales and knew nothing about any securities being promoted by KOTT, nor was she instructed to discourage clients from selling specific stocks. [redacted] was unaware of any sales script and has never been to a sales meeting.

[redacted] stated that [redacted] was the [redacted] of J.B.

Investigation on 8/19/97 at Los Angeles, CA

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b7C

File # 196C-LA-208098 - 302-977

by SA [redacted] Date dictated 8/20/97

196C-LA-208098

Continuation of FD-302 of [redacted], On 8/19/97, Page 2 b6 b7C

Oxford but did not know his responsibilities. [redacted] does not know who [redacted] reports to. [redacted] stated that she was unaware of any improprieties involving management, brokers or traders. [redacted] stated that customers complained of slow customer service and busy signals when calling by phone. [redacted] has never been asked to promote or trade a stock.

196C-LA-208028-307-97

SEARCHED	INDEXED
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SEP 15 1967	
FBI - LOS ANGELES	

WJC

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/20/97

DOB [REDACTED]

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[REDACTED] Los Angeles, California, was interviewed at his place of employment, J.B. Oxford, 9665 Wilshire Blvd, Beverly Hills, California. After being advised of the official identity of the interviewing agent and the nature of interview, [REDACTED] provided the following:

[REDACTED] stated that he has been employed with J.B. Oxford as a [REDACTED] for [REDACTED] [REDACTED] was hired by [REDACTED]

[REDACTED] stated that he has never heard of IRVING KOTT, did not know where KOTT's office was, nor did he have any idea about KOTT's hiring or firing authority. [REDACTED] stated that he didn't know [REDACTED] or who she reports to. [REDACTED] stated that he didn't know [REDACTED] or who he reports to.

[REDACTED] stated that J.B. Oxford has a storage facility on Wilshire Blvd. [REDACTED] has never heard of Turret Consultants and doesn't know who works for them.

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b7C

[REDACTED] has never heard of E.B.C Trust, Arabella S.A. or Oeri Finance. [REDACTED] stated that he was told nothing about Hariston Corporation, Ohpthalmic Imaging Systems, Legacy Software Synergy Renewable Resources or Celltech. [REDACTED] was told that J.B. Oxford Holdings was the parent company of J.B. Oxford. [REDACTED] stated that he did now know who [REDACTED] was.

[REDACTED] stated that he was never given a sales script to promote any company, nor was he ever asked to discourage clients from selling specific stocks. [REDACTED] has never attended any sales meetings where KOTT spoke.

[REDACTED] stated that he was unaware of any improprieties involving management, brokers or traders. [REDACTED] hasn't heard of any complaints yet by customers. [REDACTED] stated that he has never been asked to promote or trade a stock based on an unreported press release or insider information.

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b7C

Investigation on 8/19/97 at Los Angeles, CA

File # 196C-LA-208098 - 302 - 98

by SA [REDACTED]

Date dictated 8/20/97

100-44-20898-302-98

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 15 1997	
FBI - LOS ANGELES	

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/20/97

[redacted] DOB [redacted]
[redacted] California, was interviewed at his place of employment, J.B. Oxford Company, 9665 Wilshire Blvd., Beverly Hills, California. After being advised of the official identity of the interviewing agent and the nature of the interview [redacted] provided the following:

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[redacted] stated that he has been employed as a [redacted] with J.B. Oxford for [redacted] [redacted] stated that he was hired by [redacted] and currently reports to [redacted] doesn't know IRVING KOTT or who he reports to. [redacted] stated that he doesn't know if KOTT has an office at J.B. Oxford or if he has hiring and firing authority.

[redacted] stated that he did not know anything about [redacted] including what she did or who she worked for. [redacted] stated that [redacted] was the [redacted] although he didn't know who [redacted] reported to. [redacted] has never been to IRVING KOTT's house.

[redacted] stated that he was given no instruction regarding the explanation of KOTT's position within the firm [redacted] was unaware of any storage facility for J.B. Oxford. [redacted] stated that he has never heard of Turret Consultants.

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b7C

[redacted] has never heard of E.B.C. Trust, Arabella S.A. or Oeri Finance. [redacted] stated that J.B. Oxford Holdings owns J.B. Oxford Company. [redacted] was not given any information regarding Hariston Corporation, Ophthalmic Imaging Systems, Legacy Software, Synergy Renewable Resources or Celltech.

[redacted] stated that KOTT never promoted any securities at J.B. Oxford, nor was the sales staff instructed to recommend a specific stock. There were no sales scripts used to promote any company. [redacted] stated that as a discount brokerage, his firm doesn't make recommendations. [redacted] was never instructed to discourage clients from selling a particular stock.

[redacted] was never present at a meeting where KOTT spoke. [redacted] stated [redacted] was the [redacted] of J.B. Oxford but didn't know who he reported to.

Investigation on 8/19/97 at Los Angeles, CA

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b7C

File # 196C-LA-208098 - 302-99

by SA [redacted] Date dictated 8/20/97

196C-LA-208098

Continuation of FD-302 of [redacted], On 8/19/97, Page 2 b6
b7C

[redacted] is unaware of any improprieties involving management, brokers or traders. [redacted] stated that he has heard of no customer complaints. [redacted] stated he was never asked to promote a stock based on an unreported press release or insider information.

196C - LA - 202798-302-99

SEARCHED	INDEXED
SERIALIZED	FILED
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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/20/97

[redacted] DOB [redacted]
[redacted] California, was interviewed at his place of employment, 9665 Wilshire Blvd., Beverly Hills, California. After being advised of the official identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

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[redacted] stated that he has been employed with J.B. Oxford as a broker for [redacted] is the [redacted] and reports to [redacted] the [redacted] was hired by [redacted] after [redacted] of J.B. Oxford.

[redacted] stated that IRVING KOTT acts as an advertising consultant for J.B. Oxford but doesn't know who he reports to. When KOTT is in the building, he uses the office next to [redacted] [redacted] stated that he is unaware of KOTT having any hiring or firing authority.

[redacted] stated that [redacted] was KOTT's [redacted] stated that [redacted] was the [redacted] for J.B. Oxford and reports to [redacted] was unaware of [redacted] or KOTT taking any work from the office. [redacted] stated that [redacted]

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[redacted] stated that [redacted] that [redacted] knew of a storage facility but not its location. [redacted] stated that Turret Consulting was KOTT's company but did not know who worked there.

[redacted] stated that E.B.C. Trust was a foreign investment trust and Arabella S.A. was a company that attempted to make an investment in J.B. Oxford Holdings. [redacted] stated that Oeri Finance is a company [redacted] by [redacted] who is the new Chairman of J.B. Oxford Holdings. Hariston Corporation, Ophthalmic Imaging Systems, and Legacy Software were companies that [redacted] encouraged brokers to invest in but turned out to be poor investments. [redacted] wasn't told anything about Synergy Renewable Resources or Celltech.

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b7C

[redacted] stated that KOTT never promoted securities at J.B.

Investigation on 8/19/97 at Los Angeles, CA

File # 196C-LA-208098 - 302-100

by SA [redacted] Date dictated 8/20/97

196C-LA-208098

Continuation of FD-302 of [REDACTED]

, On 8/19/97

, Page 2

Oxford. [REDACTED] stated that [REDACTED] would recommend stocks periodically. [REDACTED] stated that there was a sales script that J.B. Oxford used for Ophthalmic Imaging Systems which came from another broker/dealer.

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b7C

[REDACTED] stated that KOTT never instructed brokers to discourage customers from selling specific securities. At sales meetings, KOTT discussed the firms advertising strategy but didn't remember dates.

[REDACTED] stated that [REDACTED] was the [REDACTED] and that [REDACTED] was the [REDACTED]

[REDACTED] stated that he began to wonder if there was any improper activity by management after reading the TIME magazine article but did not know for certain [REDACTED] knew of no improprieties regarding the traders. [REDACTED] stated that customers complained about the slow execution of trades. [REDACTED] stated that he has never been asked to promote or trade a stock based on an unreported press release or insider information.

196C- UA-208098-302-100

SEARCHED	INDEXED
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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/20/97

[redacted] DOB [redacted] California, was interviewed at his place of employment, J.B. Oxford Company, 9665 Wilshire Blvd., Beverly Hills, California. After being advised of the official identity of the interviewing agent and the nature of the interview [redacted] provided the following:

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[redacted] stated that he has been employed as a [redacted] with J.B. Oxford since [redacted] was hired by [redacted] and currently reports to [redacted] stated that IRVING KOTT was a marketing consultant but didn't know he reported to. [redacted] stated that he doesn't know if KOTT has an office at J.B. Oxford or if he has hiring and firing authority.

[redacted] stated that he did not know anything about [redacted] including what she did or who she worked for. [redacted] stated that [redacted] is responsible for [redacted] of the firm but did not know his title. [redacted] has never been to KOTT's residence [redacted] was unaware of [redacted] or KOTT taking any work out of the office.

[redacted] stated that he was instructed to tell inquisitive clients that IRVING KOTT was a marketing consultant. [redacted] was unaware of any storage facility for J.B. Oxford. [redacted] stated that he has never heard of Turret Consultants and doesn't know who works for them.

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[redacted] stated that he has never heard of E.B.C. Trust, Arabella S.A. or Oeri Finance. [redacted] stated that after reading some negative press regarding J.B. Oxford, he researched the company on the Internet. Through his research, [redacted] learned of Hariston Corporation, but does not have any information about them. [redacted] stated that a presentation on Ophthalmic Imaging Systems was made to the brokers and they were encouraged to get their clients to invest in it. [redacted] stated that senior executives for Legacy Software made a presentation to J.B. Oxford brokers. [redacted] was not told anything about Synergy Renewable Resources or Celltech.

[redacted] stated that KOTT never promoted a stock, but management did suggest that brokers sell both Ophthalmic Imaging and Legacy. There were no sales scripts used to promote any company. [redacted] stated that customers who purchased Legacy Software

b6
b7CInvestigation on 8/19/97 at Los Angeles, CAFile # 196C-LA-208098 - 302 - 101 8/20/97by SA [redacted] Date dictated

196C-LA-208098

Continuation of FD-302 of [redacted], On 8/19/97, Page 2

were told to hold the stock after its initial "run-up." [redacted] stated that IRVING KOTT spoke at one sales meeting and encouraged J.B. Oxford brokers that they put their clients into large-cap stocks with good liquidity.

[redacted] stated that [redacted] was either the [redacted] or [redacted] and was responsible for [redacted] at J.B. Oxford [redacted] did not know if [redacted] reported to KOTT.

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b7c

[redacted] stated that in hindsight, the recommendations by management to push certain stocks was improper, although [redacted] couldn't say if it was intentional [redacted] is unaware of any improprieties involving brokers or traders [redacted] stated that customers complained of not receiving trade confirmations and of slow execution of trades [redacted] stated that he was never asked to promote a stock based on an unreported press release or insider information.

196C-4A-208079-302-

SEARCHED <i>ga</i>	INDEXED <i>ga</i>
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SEP 15 1997	
FBI - LOS ANGELES	

ms

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/21/97

DOB [REDACTED]

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[REDACTED] California, was interviewed at his place of employment, J.B. Oxford Company, 9665 Wilshire Blvd., Beverly Hills, California. After being advised of the official identity of the interviewing agent and the nature of the interview, [REDACTED] provided the following:

[REDACTED] stated that he has been employed as a [REDACTED] with J.B. Oxford Company for almost [REDACTED] reports to [REDACTED] stated that he doesn't know what IRVING KOTT does or who he works for. [REDACTED] stated that KOTT doesn't have an office but couldn't comment on his hiring or firing authority.

[REDACTED] stated that he did not know anything about [REDACTED] including what she did or who she worked for. [REDACTED] stated that [REDACTED] was the [REDACTED] and thought that he reported to [REDACTED] is unaware of IRVING KOTT or [REDACTED] taking work out of the office. [REDACTED] has never been to a sales meeting and couldn't comment on the content of meetings at KOTT's residence.

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[REDACTED] stated that he was given no instruction regarding the explanation of KOTT's position within the firm. [REDACTED] stated that J.B. Oxford had a storage facility in the California Federal building in Beverly Hills. [REDACTED] stated that Turret Consultants is a Canadian company but doesn't know who works there.

[REDACTED] has never heard of E.B.C. Trust or Arabella S.A. [REDACTED] stated that Oeri Finance was a Swiss company but provided no further information. [REDACTED] stated that he knew nothing about Hariston Corporation, Ophthalmic Imaging Systems, Legacy Software, Synergy Renewable Resources or Celltech. [REDACTED] stated that J.B. Oxford Holdings is the parent company of J.B. Oxford Company.

[REDACTED] stated that he [REDACTED] for J.B. Oxford and could not comment on the sales process. [REDACTED] stated that [REDACTED] is the [REDACTED] and stated that he is [REDACTED]

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Investigation on 8/19/97 at Los Angeles, CA

File # 196C-LA-208098 - 302 - 102

by SA [REDACTED] Date dictated 8/21/97

196C-LA-208098

Continuation of FD-302 of [REDACTED], On 8/19/97, Page 2 b6
b7C

[REDACTED] stated that he is unaware of any improprieties involving management, brokers or traders. [REDACTED] stated that as a [REDACTED] he is responsible for [REDACTED] [REDACTED] stated that customers complained of poor customer service. [REDACTED] stated that he was never asked to promote a stock based on an unreported press release or insider information.

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196C-LA-20898-322-104

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FBI-LOS ANGELES	

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FEDERAL BUREAU OF INVESTIGATION

OTHER Per Sealing Order

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b7C

Date of transcription 8/22/97

On [redacted] a surveillance was conducted and a search warrant executed at a [redacted]

[redacted] The following is a log of the activities observed at the location at the approximate times indicated:

[Large empty box for log of activities]

Investigation on [redacted] at Los Angeles, CA.

File # 196C-LA-208098 - 302-105

by SA [redacted]

Date dictated

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196C-LA-208098

OTHER Per Sealing Order

b6

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Continuation of FD-302 of Surveillance and Search Warrant

, On

, Page 2

OTHER Per Sealing Order

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196C-LA-208098

Continuation of FD-302 of Surveillance and Search Warrant, On , Page 3

Personell present during all or part of the search were the following:

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196C-WA-208298-202-105

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/22/97

[redacted] was contacted at his employment J. B. OXFORD AND COMPANY, 9665 Wilshire Boulevard, Suite 300. [redacted] was contacted relative to information he could furnish regarding a federal money laundering, and securities fraud investigation. [redacted] was apprised of the purpose of the interview and was advised of the Agent's identity by display of his credentials. [redacted] voluntarily agreed to furnish any and all information he might possess regarding this matter:

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b7C

[redacted] stated that he has been employed as a [redacted] for approximately a [redacted] with the J. B. OXFORD AND COMPANY. Prior to working at OXFORD, [redacted] advised he was employed by [redacted] for approximately [redacted] Los Angeles, California, where he was [redacted] [redacted] advised he changed employments because of the potential better opportunity working for OXFORD. [redacted] was interviewed for his present job by [redacted] knew [redacted] when both worked for [redacted] as well as a friend by the name of [redacted] who previously worked at [redacted] suggested that [redacted] consider changing companies.

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b7C

IRVING KOTT is known as the company's Marketing Consultant; however, [redacted] is not personally aware of KOTT's responsibilities or who KOTT actually reports to in the company. [redacted] stated he observes KOTT in the Executive Suite of the company's offices only occasionally. KOTT has office space within the executive office suites located on the Third Floor. [redacted] was unaware concerning KOTT's involvement in hiring or firing employees. [redacted] had no information regarding [redacted] and further does not know who she reports to.

[redacted] was aware that [redacted] was listed as [redacted] with the company; however, [redacted] does not know what his job description is or who he reports to. [redacted] does observe [redacted] at the company on a regular basis. [redacted] was not aware and had no information regarding whether IRVING KOTT or [redacted] ever take home office work with them.

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b7CInvestigation on 8/19/97 at Beverly Hills, CAFile # 196C-LA-208098 - 302-106by SA [redacted] Date dictated 8/19/97

196C-LA-208098

Continuation of FD-302 of [REDACTED]

, On 8/19/97

, Page

2

[REDACTED] recalled that approximately [REDACTED] IRVING KOTT held a [REDACTED] in Los Angeles; however, he could not recall the details of the meeting and has [REDACTED] at KOTT's residence. [REDACTED] believes that KOTT has occasional sales product meetings at his residence for certain members of J. B. OXFORD.

[REDACTED] has been given no special instructions as to what to tell people who inquire about KOTT's status at J. B. OXFORD.

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b7c

[REDACTED] advised that the company does have off premise storage facilities for the voluminous records concerning the equities transactions; however, is not aware of where these facilities are located.

[REDACTED] advised he is not familiar with TURRET consultants, and does not know who may work for TURRET CONSULTING.

[REDACTED] further advised he is unfamiliar with E. B. C. TRUST, Arabella, S. A., or with OERI FINANCE.

[REDACTED] does not recall management discussing anything about HARISTON CORPORATION, OPHTHALMIC IMAGING SYSTEMS, INCORPORATED, SYNERGY RENEWABLE RESOURCES, INC., formerly known as WESTERN PACIFIC or CELLTECH.

[REDACTED] advised that LEGACY SOFTWARE was previously an IPO (Initial Public Offering), that was underwritten by J. B. OXFORD. To that extent he did make appropriate recommendations regarding the purchasing of this stock to customers that [REDACTED] felt the stock would be a suitable investment for. [REDACTED] advised that with regard to J. B. OXFORD HOLDINGS, he personally has not recommended this stock for purchase for any of his own customers.

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b7c

[REDACTED] advised that to his knowledge, IRVING KOTT has never suggested or promoted any particular stock for him or other sales brokers to recommend to customers. Additionally, according to [REDACTED] the sales staff is never instructed to push a specific stock.

[REDACTED] advised that he does not recall ever being given a sales script to promote any of the aforementioned companies.

196C-LA-208098

Continuation of FD-302 of [REDACTED], On 8/19/97, Page 3

[REDACTED] advised he has never been instructed to discourage customers from selling or to find a buyer within the firm to match any sell orders.

[REDACTED] advised that the [REDACTED] was the only [REDACTED]

[REDACTED] advised that [REDACTED] is [REDACTED] and [REDACTED] of J. B. OXFORD AND COMPANY; however, is not aware if he reports to IRVING KOTT.

b6
b7C

[REDACTED] advised he was unaware of any improper or questionable activity involving trading and management at JBOC by KOTT, or any other executives of JBOC, or J. B. OXFORD HOLDINGS. Additionally, [REDACTED] advised he was unaware of any improper activity involving the brokers or traders of JBOC.

[REDACTED] advised that he is unaware of any particular complaints by customers regarding the company or himself.

[REDACTED] stated he has never been asked by IRVING KOTT or anyone else at JBOC to promote stocks based on unreported press releases or through the obtaining of insider information.

[REDACTED] advised he had no additional information to furnish relative to this matter at this time.

The following biographical information was obtained through observation and interview:

b6
b7C

Name:
Sex:
Race:
Date of birth:
Height:
Weight:
Eyes:
Hair:
Social security
number:
Residence:

[REDACTED]
Male[REDACTED]
6'

170

Brown

Black

[REDACTED]

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Continuation of FD-302 of

[Redacted]

, On 8/19/97

, Page 4

Los Angeles, California
90012

Residence telephone:
California driver's
license:
Position at
company:
Length of
employment:
Immediate
Supervisor:
Computer
Passwords:

[Redacted]

b6
b7C

196C-LA-207078-302-106

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 10 1997	
FBI - LOS ANGELES	

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MEC-CA-208078-302-

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 10 1997	
FBI - LOS ANGELES	

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/20/97

[redacted]
California [redacted] home telephone [redacted] DOB [redacted] SSN [redacted]
[redacted] driver's license number [redacted] was advised
of the identity of the interviewing Agent and the purpose of the
interview. The following information was provided:

b6
b7C

[redacted] is [redacted] for J.B.
OXFORD HOLDINGS, INCORPORATED (J.B.), 9665 Wilshire Boulevard,
Beverly Hills, California. She has been employed with J.B. for
approximately [redacted] She described her responsibilities at
J.B. in layman terms as [redacted]

[redacted]
Prior to working for J.B., [redacted] worked for
[redacted] for [redacted] She
interviewed with J.B. approximately [redacted] She recalls
being interviewed by [redacted] and [redacted] used
to have her position and she advised that he spoke to her about
the company and what her responsibilities would include.
[redacted] added that she [redacted] IRVING KOTT (KOTT).

[redacted] stated that she knew KOTT to be [redacted]
She did not know what his responsibilities were at J.B., but he
appears to be a "head guy". [redacted] has seen KOTT at J.B.
approximately three to four times since she has been employed
with the company. She advised that he usually stays for about
three to four days. He has an office [redacted]
[redacted] J.B. She believes that he may report to the Board of
Directors and that he would have some influence in who got hired
or fired.

b6
b7C

[redacted] was never formally introduced to [redacted]
[redacted] but has heard her name before. [redacted] advised
that she believes [redacted] to be the woman [redacted]
[redacted] She believes that woman is [redacted]

[redacted] stated that [redacted] is the [redacted]
[redacted] he makes the business run smoothly. He reports to
[redacted] and KOTT.

b6
b7CInvestigation on 8/19/97 at Beverly Hills, CAFile # 196C-LA-208098-702-108by SA [redacted] Date dictated

196C-LA-208098

Continuation of FD-302 of [REDACTED], On 8/19/97, Page 2

[REDACTED] did not know whether or not KOTT or [REDACTED] took work home per se; he is constantly working. Another area that he is involved in is marketing.

[REDACTED] thinks KOTT lives in Florida.

b6
b7C

[REDACTED] stated that [REDACTED]

[REDACTED] is the [REDACTED]

[REDACTED] She did not know where the facility is located. She advised that two men take the documents and files to the storage facility. One of them is [REDACTED] and the other man is a friend of [REDACTED]. She did not know his name.

[REDACTED] was never given any instructions regarding what to tell people who inquired about KOTT's status at J.B.

She has never heard of or have any knowledge of TURRET CONSULTING, E.B.C. Trust, ARABELLA S.A., OERI FINANCE, HARISTON CORPORATION, OPHTHALMIC IMAGING SYSTEMS, INCORPORATED, LEGACY SOFTWARE, CELLTECH and SYNERGY RENEWABLE RESOURCES INCORPORATED.

[REDACTED] stated that J.B. OXFORD HOLDINGS is publicly traded. She believes it is undervalued. She added that Managers can buy shares at a discounted prices.

She did not know whether KOTT suggests or promotes any securities at J.B.

She was never given any sale scripts and does not know whether sales scripts have ever been used.

[REDACTED] has never been instructed to discourage customers from selling or to finding a buyer within the firm to match any sell orders.

b6
b7C

She never attended any sales meetings so she did not know what KOTT presented. She added that the Managers have a meeting once a month and that KOTT was not present at these meetings, usually [REDACTED]

[REDACTED] is the [REDACTED] and believes [REDACTED]

[REDACTED] stated that the customer complaints were your basic complaints i.e. waiting on the phone to long.

She was not aware of any questionable activity occurring

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Continuation of FD-302 of , On 8/19/97, Page 3 b6
b7C

within the organization. She has never been asked by KOTT or anyone to promote stocks based on unreported press releases. Nor was she ever asked to trade J.B. OXFORD HOLDING stock on insider information.

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SEARCHED	INDEXED
SERIALIZED	FILED
SEP 1 1997	
FBI	

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/25/97

[redacted] California [redacted]
voice mail telephone number [redacted] DOB [redacted] SSN [redacted] California
driver's license [redacted] was advised of the identity of the interviewing Agent and the purpose
of the interview. The following information was obtained:

b6
b7C

[redacted] has been employed with J.B. OXFORD HOLDINGS,
INCORPORATED (J.B.), 9665 Wilshire Boulevard, Beverly Hills, California for [redacted] as
an [redacted] His position entails [redacted]

[redacted] used to work for [redacted]
[redacted] He [redacted] and received a [redacted]
[redacted] He sent his resume to J.B. and was interviewed by [redacted] and [redacted]
[redacted] His [redacted] used to be [redacted] Now it is [redacted]

[redacted] does not know IRVING KOTT (KOTT) or [redacted]
[redacted]

He advised that [redacted] is [redacted] in charge of the division.
He does not know who [redacted] reports to.

b6
b7C

[redacted] stated that he does not advise any to buy or sell any stocks. He was
never given any sales scripts, or instructions regarding what to tell people who inquire about
KOTT's status at J.B. He does not have any knowledge regarding meetings held at KOTT's
residence or what was presented at sales meetings. He does not know of any storage facilities
for J.B. documents or files.

[redacted] has never heard of TURRET CONSULTING, E.B.C. TRUST,
ARABELLA S.A., OERI FINANCE, HARISTON CORPORATION, OPHTHALMIC
IMAGING SYSTEMS, INCORPORATED, LEGACY SOFTWARE, J.B. OXFORD
HOLDINGS, SYNERGY RENEWABLE RESOURCE, INCORPORATED, or CELLTECH.

[redacted] was never instructed to discourage customers from selling or to find a
buyer within the firm to match any sell orders.

[redacted] only knows that [redacted] is an [redacted]

Investigation on 8/19/97 at Beverly Hills, CA

b6
b7C

File # 196C-LA-208098-302-169

by SA [redacted] Date dictated _____

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Continuation of FD-302 of

[Redacted]

, On 8/19/97

, Page 2

b6
b7C

The only complaints he has heard are the basic complaints of the individual having to wait on the phone or not being able to inquiry about their instructions received by the traders.

[Redacted] is not aware of any improper activity going on within J.B. He was never asked by KOTT or anyone else to promote stocks based on unreported press releases. He was never asked to trade J.B.OXFORD HOLDING stock on insider information.

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SEARCHED	INDEXED
SERIALIZED	FILED
SEP 16 1997	
FBI - LOS ANGELES	

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/28/1997

[redacted] born [redacted] in [redacted] of [redacted] California, [redacted] telephone number [redacted] was interviewed at his place of business, JB OXFORD & COMPANY (JB OXFORD), 9665 Wilshire Boulevard, Third Floor, Beverly Hills, California, 90212, telephone number [redacted]. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information.

b6
b7C

[redacted] is a United States citizen, social security number [redacted] California Drivers License [redacted] and holds a General Securities, [redacted] although he does not have any clients.

Prior to joining JB OXFORD, [redacted] worked for [redacted] [redacted] was interviewed for a position at JB OXFORD by [redacted] and [redacted] began working for JB OXFORD in [redacted] in the [redacted] as a [redacted]

b6
b7C

[redacted] duties include [redacted] and [redacted] also handles the [redacted] for the [redacted] and [redacted] reports to the [redacted] who reports to [redacted]

[redacted] is familiar with IRVING KOTT, who is a shareholder, and who [redacted] believes may be a principal in the firm. IRVING KOTT has an office [redacted] that of [redacted] who [redacted] for JB OXFORD. [redacted] thought that IRVING KOTT was the "main boss" at JB OXFORD when he was hired. IRVING KOTT'S position was never clarified, and no one ever explained what IRVING KOTT was doing at JB OXFORD.

[redacted] is also familiar with [redacted] whom he believes is [redacted] is not certain what her position is and what she does at JB OXFORD but he has seen her [redacted] working with [redacted] and [redacted]

b6
b7C

Investigation on 8/19/1997 at Beverly Hills, California

File # 196C-LA-208098 - 302-110

by SA [redacted] Date dictated 8/28/1997

196C-LA-208098

Continuation of FD-302 of [REDACTED], On 8/19/1997, Page 2 b6 b7C

[REDACTED] assumes that [REDACTED] works for JB OXFORD.

It is JB OXFORD policy that only employees and janitors are allowed in the back office areas. Brokers and non employees are not allowed in these areas, although IRVING KOTT and [REDACTED] were allowed in the back office areas.

[REDACTED] is familiar with [REDACTED] who is either [REDACTED] of JB OXFORD, and who is in charge of the overall functions of the firm. [REDACTED] is not sure who [REDACTED] reports to, but speculated that [REDACTED] might report to IRVING KOTT, due to IRVING KOTT being a major shareholder of JB OXFORD.

b6
b7C

[REDACTED] recognizes EBC TRUST, since he has seen the stock in various accounts, but is not familiar with the company. [REDACTED] also recognized the name OERI FINANCE, as he has seen the OERI FINANCE account. [REDACTED] has never heard of ARABELLA S.A.

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SEARCHED	INDEXED
SERIALIZED	FILED
AUG 2 1964	
FBI-LOS ANGELES	

Q4105

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/28/1997

[redacted] born [redacted] at [redacted] of [redacted] Los Angeles, California 90024, telephone number [redacted] was interviewed at his place of business, JB OXFORD & COMPANY (JB OXFORD), 9665 Wilshire Boulevard, Third Floor, Beverly Hills, California, 90212, telephone number (310) 385-2320. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information.

b6
b7C

[redacted] has resided [redacted] [redacted] social security number [redacted] and has a current California Drivers License, [redacted] His prior address was [redacted]

[redacted] graduated from [redacted] in [redacted] with a degree in [redacted] was interviewed by [redacted] and [redacted] of JB OXFORD for a position at JB OXFORD. [redacted] believes [redacted] was also involved in the final decision to hire him. In [redacted] was hired by JB OXFORD to work in the [redacted]

[redacted] responsibilities are to [redacted] and [redacted] for the [redacted] offices of JB OXFORD, as well as [redacted] reports directly to the [redacted]

b6
b7C

[redacted] is [redacted] and reports to the [redacted] of JB OXFORD, [redacted]

[redacted] is familiar with IRVING KOTT, seeing him walking in the Operations area several times a week. [redacted] has not had any reason to speak with IRVING KOTT, but knows that IRVING KOTT has an office [redacted] the [redacted] or [redacted] of JB OXFORD. [redacted] does not know who IRVING KOTT works for.

[redacted] is familiar with [redacted] [redacted] is always at JB OXFORD at the same time IRVING KOTT is present. [redacted] believes she is an assistant to IRVING KOTT. [redacted] speaks to [redacted] on a regular basis, and [redacted]

b6
b7C

Investigation on 8/19/1997 at Beverly Hills, California

File # 196C-LA-208098 - 302-111

by SA [redacted] Date dictated 8/28/1997

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Continuation of FD-302 of [REDACTED], On 8/19/1997, Page 2 b6 b7C

[REDACTED] believes she might report to [REDACTED] IRVING KOTT and [REDACTED] have access to the entire office. They are in the [REDACTED] and other [REDACTED]
[REDACTED]

[REDACTED] was familiar with OERI FINANCE, because he works with the [REDACTED] of JB OXFORD. OERI FINANCE is located in Switzerland, and is [REDACTED] was not familiar with TURRETT CONSULTANTS or EBC TRUST.

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SEARCHED	INDEXED
SERIALIZED	FILED
AUG 29 1991	
FBI-LOS ANGELES	

1 P3-1083

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/28/1997

[redacted] born [redacted] at [redacted]
[redacted] of [redacted]
California, [redacted] was interviewed at his place of business, JB
OXFORD & COMPANY (JB OXFORD), 9665 Wilshire Boulevard, Third
Floor, Beverly Hills, California, 90212, telephone number [redacted]
[redacted]. After being advised of the identity of the
interviewing agent and the nature of the interview, [redacted]
provided the following information.

b6
b7C

[redacted] has a California Drivers License [redacted]
and a Social Security number [redacted]. Prior to working for
JB OXFORD, [redacted] was an [redacted] for
[redacted]

[redacted] was hired as [redacted] for JB
OXFORD on [redacted] after being interviewed by [redacted]
[redacted] and [redacted] is the
[redacted] of JB OXFORD, and is the person who
actually hired [redacted]

JB OXFORD & COMPANY has two distinct businesses going
on. The first is the Clearing business, in which JB OXFORD
clears trades for 60 companies, including BILTMORE SECURITIES and
STRATTON OAKMONT SECURITIES. This part of the business was
expanded in 1995 when JB OXFORD purchased a large portion of the
clearing business from Securities Investors Protection
Corporation (SIPC) which SIPC had received from another firm that
had gone out of business.

The second part of JB OXFORD's business is that of
being a Discount Brokerage firm, of which 95% of the business is
in trading NASDAQ listed stocks. The main hook is that
commissions are only \$20 per trade, with free trading if there is
more than \$250,000 in the account. This tends to attract high
volume, or active traders. The firm is now diversifying into
sales of mutual funds and bonds.

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b7C

[redacted]
[redacted] At first he reported to
[redacted] and later he reported to [redacted] the [redacted]

Investigation on 8/19/1997 at Beverly Hills, CaliforniaFile # 196C-LA-208098 - 307-112

by SA [redacted]

Date dictated 8/28/1997

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Continuation of FD-302 of [REDACTED], On 8/19/1997, Page 2

[REDACTED] In this position, [REDACTED] responsibilities included [REDACTED] also took

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b7C

In [REDACTED] became [REDACTED] is currently [REDACTED] of JB OXFORD & COMPANY, although there have not been any

Prior to [REDACTED] being hired by JB OXFORD, the JB OXFORD Board of Directors hired TURRETT CONSULTANTS to provide marketing services, and help with television advertising. [REDACTED] is [REDACTED] and [REDACTED]

IRVING KOTT is based in Montreal Canada, and works for TURRETT CONSULTANTS. JB OXFORD provides an office for consultants, which is used by IRVING KOTT and [REDACTED] IRVING KOTT consults with [REDACTED]

b6
b7C

[REDACTED] is [REDACTED] [REDACTED] IRVING KOTT and [REDACTED] are the [REDACTED]

[REDACTED] of JB OXFORD HOLDINGS, the holding company for JB OXFORD & COMPANY and is currently [REDACTED] JB OXFORD HOLDINGS, and is [REDACTED] of JB OXFORD & COMPANY.

[REDACTED] is [REDACTED] and has been with JB OXFORD for at least [REDACTED]

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b7C

JB OXFORD & COMPANY leases a home off of [REDACTED] in Beverly Hills, which is used by IRVING KOTT when he is in town. [REDACTED] has been to the house [REDACTED] when he attended a sales meeting held there. This was a general sales meeting, with no particular company being promoted.

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Continuation of FD-302 of [REDACTED]

, On 8/19/1997, Page 3

[REDACTED] is familiar with the EBC TRUST, as the National Association of Securities Dealers (NASD) in New York has requested account documents and statements, which JB OXFORD has provided. [REDACTED] is in [REDACTED] which is [REDACTED] which trades stock for its' own clients. He believes there were transactions relating to HARISTON and CONSOLIDATED WESTERN, and possibly SMART-TEL in the EBC TRUST account.

b6
b7C

[REDACTED] does not know anything about ARABELLA SA.

[REDACTED] is familiar with OERI FINANCE, which is a Broker/Dealer based in Basel, Switzerland. [REDACTED]

[REDACTED] also [REDACTED]

[REDACTED] There is some trading between OERI FINANCE and JB OXFORD & COMPANY. [REDACTED] recalled that OERI FINANCE purchased 85,000 shares of LEGACY SOFTWARE on the offer when JB OXFORD brought the deal to market.

[REDACTED] JB OXFORD brought public the shares of LEGACY SOFTWARE. [REDACTED] at telephone number [REDACTED] was the Corporate Finance Department of JB OXFORD. The Bridge Financing was provided by EBC TRUST, then the Initial Public Offering (IPO) was done by JB OXFORD. After the LEGACY offering, JB OXFORD decided to leave the IPO market, as this type of business was not what JB OXFORD was really geared for.

b6
b7C

RKS SECURITIES was active in HARISTON CORPORATION prior to [REDACTED] being affiliated with JB OXFORD. [REDACTED] is not familiar with OPHTHALMIC IMAGING SYSTEMS, INC., although he believes JB OXFORD was looking at the company. [REDACTED] does not know the results. He has also seen the name CELLTECH, but is unfamiliar with the company.

[REDACTED] is not involved in the sales meetings, but has never seen IRVING KOTT promote any stock.

[REDACTED] has had only one complaint against him during his time at JB OXFORD. [REDACTED]

[REDACTED] and is unaware of any improper or questionable activity involving trading at JB OXFORD by IRVING KOTT or any other executives of JB OXFORD.

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SEARCHED	INDEXED
SERIALIZED	FILED
Sept 7 1997	
FBI-LOS ANGELES	

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/25/97

[redacted] an [redacted] of [redacted] California, home telephone number [redacted] was interviewed at his place of employment, J.B. Oxford and Company, 9665 Wilshire Boulevard, Suite 300, Beverly Hills, California. After being advised of the nature of the interview and the identity of the interviewing agent, [redacted] provided the following information:

[redacted] was first employed by J.B. Oxford and Company approximately [redacted] as an [redacted] and has remained in that position ever since. The hiring process consisted of a written application. Initially, [redacted] was placed with the company through a temporary agency as a part-time employee and shortly after, was offered a full time position. [redacted] is his [redacted]

Prior to being employed by J.B. Oxford and Company, [redacted] was a [redacted] for [redacted] at DA Campbell Company and Wedbush Morgan Securities.

IRVING KOTT is a Consultant for J.B. Oxford, but it is not known what his responsibilities are, or who he reports to. KOTT does not have a say in hiring or firing and it is not known as to what type of work is taken home with him. KOTT does not suggest or promote certain securities at J.B. Oxford and has not held any sales meetings at the company. It is not known if meetings are held at KOTT's residence and there are no instructions given regarding what to tell people who inquire about KOTT's status at J.B. Oxford.

It is not known what [redacted] responsibilities are, but she is believed to be IRVING KOTT's secretary. It is not known what type of work is taken home with her.

[redacted] holds some type of executive position with the company and is in charge of some unknown departments. It is unknown what his specific duties are and he reports to [redacted]

[redacted] is the [redacted] of the company and it is

Investigation on 08/19/97 at Los Angeles, Ca.

File # 196C-LA-208098-202-113

by SA [redacted] Date dictated 08/25/97

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b7C

b6
b7C

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Continuation of FD-302 of [REDACTED], On 08/19/97, Page 2

not known what his responsibilities are. He does not report to IRVING KOTT.

b6
b7C

It is not known if there is a storage facility for the documents and files of J.B. Oxford and Company.

J.B. Oxford Holdings is a brokerage firm. There is no familiarity with or knowledge concerning E.B.C. Trust, Arabella S.A., Oeri Finance, Hariston Corporation, Ophthalmic Imaging Systems, Legacy Software, Synergy Renewable Resources, Western and Pacific, Celltech, and Turret Consultants.

[REDACTED] is not aware of any improper or questionable activities involving trading and management at J.B. Oxford by the brokers, traders, IRVING KOTT, or any other executives of the company. He has never been asked by KOTT or anyone at J.B. Oxford to promote stocks based on unreported press releases or to trade J.B. Oxford Holding stock on insider information. He has never been instructed to discourage customers from selling or to find a buyer within the firm to match any sell orders.

[REDACTED] is not aware of any customer complaints against the company or himself.

[REDACTED] passwords for the computer systems at J.B. Oxford and Company are [REDACTED] and [REDACTED]

b6
b7C

[REDACTED] is described as follows:

Sex:	Male
Date of Birth:	[REDACTED]
Height:	5'07"
Weight:	150 pounds
Eyes:	Brown
Hair:	Black
Social Security Number:	[REDACTED]
CA Drivers License:	[REDACTED]

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SEARCHED	INDEXED
SERIALIZED	FILED
SEP 16 1997	
FBI - LOS ANGELES	

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/25/97

[redacted] an [redacted] of [redacted]
[redacted] Los Angeles, California, home telephone number [redacted]
[redacted] was interviewed at his place of employment, J.B. Oxford and Company, 9665 Wilshire Boulevard, Suite 300, Beverly Hills, California. After being advised of the nature of the interview and the identity of the interviewing agent, [redacted] provided the following information:

b6
b7C

[redacted] was first employed by J.B. Oxford and Company approximately [redacted] as an [redacted]
[redacted] The hiring process consisted of a written application and an interview which was administered by [redacted] remained an [redacted] for approximately [redacted] until he was promoted to his current position, [redacted] is his [redacted]

Prior to being employed by J.B. Oxford and Company, [redacted] worked for [redacted] a [redacted] located in Los Angeles, California, for [redacted]

IRVING KOTT is a consultant for J.B. Oxford and Company, but it is not known what his responsibilities are, or who he reports to. KOTT does not have a say in hiring or firing and it is not known as to what type of work is taken home with him. KOTT does not suggest or promote certain securities at J.B. Oxford and has not held any sales meetings at the company. It is not known if meetings are held at KOTT's residence and there are no instructions given regarding what to tell people who inquire about KOTT's status at J.B. Oxford.

[redacted] is a [redacted] for J.B. Oxford and Company, but it is not known what her responsibilities are or who she reports to. She seems [redacted] IRVING KOTT. It is not known what type of work is taken home with her.

[redacted] is the [redacted] and he reports to [redacted] It is unknown what his specific duties are.

[redacted] is the [redacted] of the company and it is not known what his specific responsibilities are. He does not report to IRVING KOTT.

b6
b7C

Investigation on 08/19/97 at Los Angeles, Ca.

File # 196C-LA-208098 -302-114

by SA [redacted] Date dictated 08/25/97

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Continuation of FD-302 of [REDACTED]

, On 08/19/97 , Page 2 b6
b7C

There is a storage facility for the documents and files of J.B. Oxford and Company. It is the Cal Fed building located on Wilshire. The documents are stored in the basement.

J.B. Oxford Holdings is the parent company of J.B. Oxford and Company. E.B.C. (Edwards Boys Charlie) Trust and Oeri Finance had accounts with J.B. Oxford and Company in 1995. There is no familiarity with or knowledge concerning Arabella S.A., Hariston Corporation, Ophthalmic Imaging Systems, Legacy Software, Synergy Renewable Resources, Western and Pacific, Celltech, and Turret Consultants.

[REDACTED] is not aware of any improper or questionable activities involving trading and management at J.B. Oxford by the brokers, traders, IRVING KOTT, or any other executives of the company. He has never been asked by KOTT or anyone at J.B. Oxford to promote stocks based on unreported press releases or to trade J.B. Oxford Holding stock on insider information. He has never been instructed to discourage customers from selling or to find a buyer within the firm to match any sell orders.

[REDACTED] is not aware of any customer complaints against the company or himself. b6
b7C

[REDACTED] passwords for the computer systems at J.B. Oxford are [REDACTED] and [REDACTED]

[REDACTED] is described as follows:

Sex:	Male
Date of Birth:	[REDACTED]
Height:	5'09"
Weight:	185 pounds
Eyes:	Brown
Hair:	Black
Social Security Number:	[REDACTED]
CA Drivers License:	[REDACTED]

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SEARCHED	INDEXED
SERIALIZED	FILED
[Empty Box]	
MAY	

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/25/97

[redacted] an [redacted] of [redacted] Los Angeles, California, home telephone number (213)750-4207, was interviewed at her place of employment, J.B. Oxford and Company, 9655 Wilshire Boulevard, Suite 300, Los Angeles, California. After being advised of the nature of the interview and the identity of the interviewing agent [redacted] provided the following information:

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b7C

[redacted] was first employed by J.B. Oxford and Company approximately [redacted] as a [redacted]. The hiring process consisted of a written application and an interview, which was administered by [redacted] remained a [redacted] for approximately [redacted] until she was promoted to her current position, [redacted] is her [redacted].

[redacted] Prior to being employed by J.B. Oxford and Company, [redacted] held various [redacted] through a [redacted] located in Los Angeles, California.

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b7C

IRVING KOTT is the owner of J.B. Oxford and Company, but it is not known what his responsibilities are. KOTT is at the top and does not report to anyone. He has an office on the third floor of the company, but he is not there that often. It is not known if KOTT has a say in hiring or firing or if work is taken home with him. KOTT does not suggest or promote certain securities at J.B. Oxford and has not held any sales meetings at the company. It is not known if meetings are held at KOTT'S residence and there are no instructions given regarding what to tell people who inquire about KOTT'S status at J.B. Oxford.

[redacted] is a [redacted] but it is not known what her responsibilities are. She reports to IRVING KOTT. It is not known what type of work is taken home with her.

[redacted] is one of the top administrative people. It is not known what his specific duties are, but he reports to [redacted] and has an office right next to him.

[redacted] is the [redacted] of the company and it is not known what his responsibilities are. [redacted]

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Investigation on 08/19/97 at Los Angeles, Ca.

File # 196C-LA-208098 - 302 - 115

by SA [redacted] Date dictated 08/25/97

196C-LA-208098

Continuation of FD-302 of [REDACTED]

, On 08/19/97, Page 2 b6 b7C

[REDACTED]

There is a storage facility for the documents and files of J.B. Oxford and Company located on Wilshire. The name of the building is unknown.

J.B. Oxford Holdings is a brokerage firm. There is no familiarity with or knowledge concerning E.B.C. Trust, Arabella S.A., Oeri Finance, Hariston Corporation, Ophthalmic Imaging Systems, Legacy Software, Synergy Renewable Resources, Western and Pacific, Celltech, and Turret Consultants.

[REDACTED] is not aware of any improper or questionable activities involving trading and management at J.B. Oxford by the brokers, traders, IRVING KOTT, or any other executives of the company. She has never been asked by KOTT or anyone at J.B. Oxford to promote stocks based on unreported press releases or to trade J.B. Oxford Holding stock on insider information. She has never been instructed to discourage customers from selling or to find a buyer within the firm to match any sell orders.

[REDACTED] is not aware of any customer complaints against the company or herself.

b6
b7C

[REDACTED] password for the computer systems at J.B. Oxford is [REDACTED]

[REDACTED] is described as follows:

Sex:	Female
Date of Birth:	[REDACTED]
Height:	5'10"
Weight:	170 pounds
Eyes:	Black
Hair:	Black
Social Security Number:	[REDACTED]
CA Drivers License:	[REDACTED]

1960- LA - 2008-302 -

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/25/97

[redacted] a [redacted]
of [redacted] California, home
telephone number [redacted] was interviewed at her place of
employment, J.B. Oxford and Company, 9665 Wilshire Boulevard,
Suite 300, Beverly Hills, California. After being advised of the
nature of the interview and the identity of the interviewing
agent, [redacted] provided the following information:

b6
b7C

[redacted] was first employed by J.B. Oxford and Company
approximately [redacted] as a [redacted]
The hiring process consisted of a written application and two
interviews, which were administered by [redacted] and [redacted]
[redacted] remained a [redacted] for
approximately [redacted] until she was promoted to her current
position. [redacted] current supervisor
is [redacted]

b6
b7C

Prior to being employed by J.B. Oxford and Company,
[redacted] was a [redacted] for [redacted]
located in [redacted] for [redacted]

IRVING KOTT is the owner of J.B. Oxford and Company,
but it is not known what his responsibilities are, or where his
office is in the building. KOTT does not have a say in hiring or
firing and it is not known as to what type of work is taken home
with him. KOTT does not suggest or promote certain securities at
J.B. Oxford and has not held any sales meetings at the company.
It is not known if meetings are held at KOTT's residence and there
are no instructions given regarding what to tell people who
inquire about KOTT's status at J.B. Oxford.

[redacted] is one of the [redacted] of
J.B. Oxford, but it is not known what her responsibilities are or
who she reports to. It is not known as to what type of work is
taken home with her.

b6
b7C

[redacted] of the company.
It is unknown what his specific duties are and he is not known to
have a supervisor.

Investigation on 08/19/97 at Los Angeles, Ca.

File # 196C-LA-208098 - 302 - 116

by SA [redacted] Date dictated 08/25/97

196C-LA-208098

Continuation of FD-302 of

, On 08/19/97

, Page

2

b6
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[redacted] is the [redacted] of the company and it is not known what his responsibilities are or who he reports to.

There is a storage facility for the documents and files of J.B. Oxford and Company. It is located on Wilshire, in the basement of the Cal Fed Building.

J.B. Oxford Holdings is a brokerage firm. There is no familiarity with or knowledge concerning E.B.C. Trust, Arabella S.A., Oeri Finance, Hariston Corporation, Ophthalmic Imaging Systems, Legacy Software, Synergy Renewable Resources, Western and Pacific, Celltech, and Turret Consultants.

[redacted] is not aware of any improper or questionable activities involving trading and management at J.B. Oxford by the brokers, traders, IRVING KOTT, or any other executives of the company. She read an article in Times Magazine that said that illegal things were going on in the company, but a memo was circulated, in the company's defense, by [redacted] shortly after the article was published. She has never been asked by KOTT or anyone at J.B. Oxford to promote b6 stocks based on unreported press releases or to trade J.B. Oxford b7c Holding stock on insider information. She has never been instructed to discourage customers from selling or to find a buyer within the firm to match any sell orders.

[redacted] is not aware of any customer complaints against the company or herself.

[redacted] password for the computer systems at J.B. Oxford is [redacted]

[redacted] is described as follows:

Sex:	Female
Date of Birth:	[redacted]
Height:	5'01"
Weight:	115 pounds
Eyes:	Brown
Hair:	Brown
Social Security Number:	[redacted]
CA Drivers License:	[redacted]

196C-LA-208098-302-116

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/22/97

[redacted] an [redacted]
[redacted] of [redacted] Los Angeles,
California, home telephone number [redacted] was interviewed
at her place of employment, J.B. Oxford and Company, 9665
Wilshire Boulevard, Suite 300, Beverly Hills, California. After
being advised of the nature of the interview and the identity of
the interviewing agent, [redacted] provided the following
information:

b6
b7C

[redacted] was first employed by J.B. Oxford and Company
approximately [redacted] as a [redacted]. The hiring
process consisted of a written application and an interview,
which was administered by [redacted] and [redacted].
[redacted] remained a [redacted] for approximately [redacted]
[redacted] until she was promoted to her current position, [redacted].
[redacted] is her [redacted].

Prior to being employed by J.B. Oxford and Company,
[redacted] was a [redacted] at [redacted]
located in Los Angeles, California, for [redacted].

It is not known what position IRVING KOTT holds at J.B.
Oxford, what his responsibilities are, or who he reports to.
KOTT does not have a say in hiring or firing and it is not known
as to what type of work is taken home with him. KOTT does not
suggest or promote certain securities at J.B. Oxford and has not
held any sales meetings at the company. It is not known if
meetings are held at KOTT'S residence and there are no
instructions given regarding what to tell people who inquire
about KOTT'S status at J.B. Oxford.

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b7C

It is not known what [redacted]
responsibilities are or who she reports to. She is only seen
every once in awhile. It is not known as to what type of work is
taken home with her.

[redacted] holds some type of executive position with the
company. It is unknown what his specific duties are and who he
reports to.

Investigation on 08/19/97 at Los Angeles, Ca.

File # 196C-LA-208098 - 302-117

by SA [redacted]

Date dictated 08/22/97

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196C-LA-208098

Continuation of FD-302 of [REDACTED]

, On 08/19/97, Page 2 b6 b7c

[REDACTED] is the [REDACTED] of the company and it is not known what his responsibilities are. He does not report to IRVING KOTT.

There is a storage facility for the documents and files of J.B. Oxford and Company. It is located on Wilshire, in the basement of a bank. The name of the bank is unknown.

J.B. Oxford Holdings is the parent company of J.B. Oxford and Company. It is a company that deals with stocks and bonds.

There is no familiarity with or knowledge concerning E.B.C. Trust, Arabella S.A., Oeri Finance, Hariston Corporation, Ophthalmic Imaging Systems, Legacy Software, Synergy Renewable Resources, Western and Pacific, Celltech, and Turret Consultants.

[REDACTED] is not aware of any improper or questionable activities involving trading and management at J.B. Oxford by the brokers, traders, IRVING KOTT, or any other executives of the company. She has never been asked by KOTT or anyone at J.B. Oxford to promote stocks based on unreported press releases or to trade J.B. Oxford Holding stock on insider information. She has never been instructed to discourage customers from selling or to find a buyer within the firm to match any sell orders.

b6
b7c

[REDACTED] is not aware of any customer complaints against the company or herself.

[REDACTED] passwords for the computer systems at J.B. Oxford are [REDACTED] and [REDACTED]

[REDACTED] is described as follows:

Sex:	Female
Date of Birth:	[REDACTED]
Height:	5'04"
Weight:	155 pounds
Eyes:	Black
Hair:	Black
Social Security Number:	[REDACTED]
CA Drivers License:	[REDACTED]

196C-LA-208098-202-

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/20/97

[redacted] an [redacted] of [redacted] California, home telephone number [redacted] was interviewed at her place of employment, J.B. Oxford and Company, 9665 Wilshire Boulevard, Suite 300, Beverly Hills, California. After being advised of the nature of the interview and the identity of the interviewing agent, [redacted] provided the following information:

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b7C

[redacted] was first employed by J.B. Oxford and Company approximately [redacted] as a [redacted]. The hiring process consisted of a written application and an interview, which was administered by [redacted] her former supervisor. [redacted] remained a [redacted] for approximately [redacted] until she was promoted to her current position. [redacted] current supervisor is [redacted]

Prior to being employed by J.B. Oxford and Company, [redacted] was the [redacted] located in [redacted] California, for [redacted] and a [redacted] for [redacted] located in [redacted] California, for [redacted]

b6
b7C

IRVING KOTT is a consultant for J.B. Oxford and Company, but is rarely seen in the building. KOTT is like a contractor and does not have an office or any one particular person to report to. KOTT does not have a say in hiring or firing and it is not known as to what type of work is taken home with him. KOTT does not suggest or promote certain securities at J.B. Oxford and has not held any sales meetings at the company. It is not known if meetings are held at KOTT'S residence and there are no instructions given regarding what to tell people who inquire about KOTT'S status at J.B. Oxford.

[redacted] is [redacted] She is [redacted] It is not known as to what type of work is taken home with her.

[redacted] is the [redacted] but it is unknown what his specific duties are. [redacted] reports to [redacted]

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Investigation on 08/19/97 at Los Angeles, Ca.

File # 196C-LA-208098-202-118

by SA [redacted] Date dictated 08/20/97

196C-LA-208098

Continuation of FD-302 of

, On 08/19/97, Page 2 b6 b7C

[redacted] is the [redacted] of the company and it is not known what his responsibilities are. He does not report to IRVING KOTT.

There is a storage facility for the documents and files of J.B. Oxford and Company. It is located on Wilshire, in the basement of a bank. The name of the bank is unknown.

Turret Consultants is a consulting firm. It used to come up once in awhile in payables, but it is not known for what types of transactions. It is not known who works for Turret Consulting.

J.B. Oxford Holdings is the parent company of J.B. Oxford and Company.

There is no familiarity with or knowledge concerning E.B.C. Trust, Arabella S.A., Oeri Finance, Hariston Corporation, Ophthalmic Imaging Systems, Legacy Software, Synergy Renewable Resources, Western and Pacific, and Celltech.

[redacted] is not aware of any improper or questionable activities involving trading and management at J.B. Oxford by the brokers, traders, IRVING KOTT, or any other executives of the company. She has never been asked by KOTT or anyone at J.B. Oxford to promote stocks based on unreported press releases or to trade J.B. Oxford Holding stock on insider information. She has never been instructed to discourage customers from selling or to find a buyer within the firm to match any sell orders.

[redacted] is not aware of any customer complaints against the company or herself.

[redacted] password to the SIS system is [redacted] and her password to the PICK system is [redacted]

[redacted] is described as follows:

Sex:	Female
Date of Birth:	[redacted]
Height:	5'01"
Weight:	130 pounds
Eyes:	Brown
Hair:	Black
Social Security Number:	[redacted]
CA Drivers License:	[redacted]

196C-LA-208098

Continuation of FD-302 of

[Redacted Box]

, On 08/19/97

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FEDERAL BUREAU OF INVESTIGATION

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OTHER Per Sealing Order

Date of transcription 8-21-97

On [redacted] pursuant to a search warrant [redacted]

[redacted] was

[redacted] searched. Following is the search log for [redacted]

Agents assisting on the search were: SA [redacted]

SA [redacted]

SA [redacted]

SA [redacted]

SA [redacted]

SA [redacted]

SA [redacted]

and United States Postal Inspector (USPI) [redacted]

OTHER Per Sealing Order

Investigation on [redacted] at Beverly Hills, CA

File # 196C-LA-208098-302-119by SA [redacted] Date dictated 8-21-97

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FEDERAL BUREAU OF INVESTIGATION
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FEDERAL BUREAU OF INVESTIGATION
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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/25/97

[redacted] Studio City, California, telephone [redacted] was advised of the identity of the interviewing agent and the purpose of the interview. She provided the following information:

b6
b7c

[redacted] has two classes required for a degree in [redacted] from [redacted] She has previously worked at [redacted] and [redacted]

[redacted] has worked at J.B. OXFORD for [redacted] She was interviewed by [redacted] and started in [redacted] [redacted] She is now the [redacted] and reports to [redacted] She learned of the job through a placing agency.

[redacted] IRVING KOTT acts as a consultant for the business. [redacted] did not know who IRVING KOTT reported to.

[redacted] IRVING KOTT uses the office next door to [redacted]
[redacted]

IRVING KOTT came in to town yesterday from Canada. He lives in Montreal. This is the second time this summer that IRVING KOTT has been in the office. He is around more during the fall and winter months. When IRVING KOTT is in town, he comes in to the office every day.

[redacted] is the [redacted] and reports to the Board of Directors. [redacted] and [redacted] decide who gets hired on an executive level within the company. Hiring for clerks is done by the immediate supervisors or through the personnel/human resources office.

b6
b7c

[redacted] is a [redacted] and IRVING KOTT's assistant. She insures that there are no errors in trading. [redacted] does not know who [redacted] reports to, but when she always comes in to the office with IRVING KOTT. [redacted] did not know whether [redacted] or IRVING KOTT took work home with them, or whether they conduct business meetings at home.

When IRVING KOTT is out of town, he calls the office

Investigation on 8/19/97 at Beverly Hills, CA

File # 196C-LA-208098-302-120

by SA [redacted] Date dictated 8/25/97

196C-LA-208098

Continuation of FD-302 of [REDACTED]

, On 8/19/97, Page 2

and speaks to some of the employees about the business. He called the office last Friday from Montreal to inquire about the market.

[REDACTED] has not been given any instructions on what to tell others regarding IRVING KOTT's status with J.B. OXFORD. b6 b7C

J.B. OXFORD has another storage facility in Beverly Hills, several blocks away from the main office. The storage facility contains reports and operating files.

[REDACTED] provided information about the following companies:

TURRET CONSULTING: [REDACTED] has heard the name recently and has seen the name on documents coming over the fax machine. She does not know anything else about the company or who works there.

EBC TRUST: [REDACTED] has approved wires for money going out of EBC TRUST at about \$100,000 each time. [REDACTED] has approved these wires two or three times this summer. She does not know what the money is being wired for.

OERI FINANCE: OERI has an account at J.B. OXFORD, and OERI is on the Board of Directors. OERI is in the Switzerland office. [REDACTED] has approved wire transfers for money going out of the OERI account in amounts between \$50,000 and \$200,000 at a time. OERI has input as to the operation of J.B. OXFORD.

HARISTON CORPORATION: [REDACTED] knows that there is an account at J.B. OXFORD.

OPHTHALMIC IMAGING SYSTEMS, INC.: [REDACTED] knows of an account with J.B. OXFORD, and has seen wire transfers for various amounts of money "on the larger side" of \$50,000 on up.

LEGACY SOFTWARE: J.B. OXFORD did a private placement and brought this company public. [REDACTED] does not know if there is an account there. b6 b7C

J.B. OXFORD HOLDINGS: [REDACTED] has not been told anything about this company.

SYNERGY: This company has an account at J.B. OXFORD, and money has gone out of it.

As far as [REDACTED] knows, IRVING KOTT does not promote certain securities. The staff is not instructed to push certain

196C-LA-208098

Continuation of FD-302 of [REDACTED]

, On 8/19/97, Page 3

stocks. [REDACTED] has never received sales scripts to promote stock. She has not been instructed to discourage customers from selling their stocks.

[REDACTED] has never attended a sales meeting with IRVING KOTT.

[REDACTED] is the [REDACTED] and [REDACTED]
[REDACTED] he keeps an [REDACTED] and talks to
correspondents about their concerns. He probably reports through the
Board of Directors.

[REDACTED] knows of no questionable trading activity, or
improper activity of brokers or traders. She gets no customer
complaints because they all go to the compliance department. There
have been no complaints filed against [REDACTED]

[REDACTED] has never been asked to promote stocks and was never
asked to trade on insider information.

b6
b7c

196C-LA-208018-302-120

SEARCHED	INDEXED
SERIALIZED	FILED
S-1	
FBI - LOS ANGELES	
MSS	

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/25/97

b6
b7C

[redacted] Glendale, California, telephone [redacted] was advised of the identity of the interviewing agent and the purpose of the interview. She provided the following information:

[redacted] works in the Transfer Department and the Cashiering Department for J.B. OXFORD. Previously, [redacted] worked at [redacted]. She did not want to transfer to San Francisco, so she applied with J.B. OXFORD when the company was in Glendale. She moved to the Beverly Hills office [redacted] [redacted] works for [redacted]

IRVING KOTT is an owner of J.B. OXFORD. [redacted] does not know who he reports to. She does not know where his office is, or whether he is involved in hiring or firing.

[redacted] is the [redacted]
[redacted] duties include posting amounts put in from the accounts and the pay outs approved by the margin department. [redacted] will run the check and give it to [redacted] for signing.

[redacted] is the [redacted] of the company. [redacted] does not know who he reports to.

[redacted] has heard customer complaints regarding checks which were not posted.

b6
b7C

Investigation on 8/19/97 at Beverly Hills, CA

File # 196C-LA-208098 - 302 121

by SA [redacted] Date dictated 8/25/97

17161-LA-208098-572 12p

SEARCHED	INDEXED
SERIALIZED	FILED
<div></div>	
FBI - LOS ANGELES	
MS	

- 1 -

FEDERAL BUREAU OF INVESTIGATION

[redacted] Description 8/25/97
[redacted] Granada Hills,
California, telephone [redacted] was advised of the identity
of the interviewing agent and the purpose of the interview. He
provided the following information:

b6
b7c

[redacted] has worked as a [redacted] for J.B.
OXFORD since [redacted]. He applied for the job through an
advertisement in the Los Angeles Times. He reports to [redacted]
[redacted] the [redacted]

IRVING KOTT works in the executive offices, and has an
office in the executive space. [redacted] not know whether
KOTT has a say in hiring or firing.

[redacted] has heard of [redacted] but does not know what
his job is. [redacted] thinks he is the "top guy".

J.B. OXFORD has a storage facility for documents, but
[redacted] does not know where it is.

One of the clients asked [redacted] some questions about
LEGACY SOFTWARE. The client asked whether LEGACY had any
relationship with J.B. OXFORD, and whether it was publicly
traded.

J.B. OXFORD HOLDINGS owns J.B. OXFORD BROKERAGE.

[redacted] has never been told to push a certain stock.
He has not been given sales scripts, and has never been told to
discourage customers from selling.

[redacted] is the [redacted] of J.B. OXFORD.
[redacted] does not know if [redacted] reports to IRVING KOTT.

[redacted] heard that there was an article about
questionable activity at J.B. OXFORD, but he never read it. The
brokers had a meeting where [redacted] told them not to make any
comment about the article.

b6
b7c

[redacted] has heard customer complaints regarding
trading problems personality conflicts with individual brokers.

Investigation on 8/19/97 at Beverly Hills, CA

File # 196C-LA-208098 - 302 - 122

by SA [redacted] Date dictated 8/25/97

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Continuation of FD-302 of , On 8/19/97, Page 2 b6
b7C

has not been asked to promote stocks or trade on insider information.

196C-1A-208098-302 122

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 15 1997	
FBI - LOS ANGELES	
1112	

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/25/97

[redacted] Marina Del Rey, California, telephone [redacted] was advised of the identity of the interviewing agent and the purpose of the interview. He provided the following information:

[redacted] works as a [redacted] for J.B. OXFORD. Previously, he worked at a [redacted] [redacted] got his job with J.B. OXFORD through a recruiter on the internet. [redacted] and [redacted] interviewed him.

b6
b7C

[redacted] responsibilities include making sure the [redacted]

IRVING KOTT is [redacted] does not know what his job is or who he reports to. [redacted] sees IRVING KOTT about once a month. [redacted] doubts that IRVING KOTT has a say in hiring or firing of employees. He has never seen IRVING KOTT interview anyone for a job. IRVING KOTT has the big office in the corner next to [redacted] office.

[redacted] is the [redacted] He oversees margins, trading, problems with the brokers, and deals with the correspondents.

[redacted] has seen IRVING KOTT escorting people around the office.

[redacted] has been given no instructions on what to tell people regarding IRVING KOTT's status.

J.B. OXFORD has a storage facility off site, a few blocks away.

b6
b7C

OPHTHALMIC IMAGING is part of the inventory of CORTLANDT CAPITAL. J.B. OXFORD traded this particular stock a lot. CORTLANDT is a correspondent of J.B. OXFORD. CORTLANDT is no longer in business, because they did not make enough money, and had been dwindling since last December.

Investigation on 8/19/97 at Beverly Hills, CA

File # 196C-LA-208098 - 302-123

by SA [redacted] Date dictated 8/25/97

196C-LA-208098

Continuation of FD-302 of [redacted], On 8/19/97, Page 2 b6 b7c

[redacted] has seen the name LEGACY SOFTWARE through personal research.

J.B.OXFORD HOLDINGS went up a few months ago, but lately has been going down and is doing poorly.

[redacted] stated that he would not know whether the sales staff were told to push stocks. He does not know of any sales scripts. He has not been told to discourage customers from selling. [redacted] stated that the margin department deals with brokers only, not customers.

[redacted] is the [redacted] of the company. [redacted] does not know if he reports to anyone.

When [redacted] started working at J.B. OXFORD, he heard of an article about IRVING KOTT. The article contained allegations that IRVING KOTT had alot of say in the running of the company. b6 b7c

[redacted] response was that he was not pushed to make any decisions by anyone else regarding the company.

[redacted] has heard customer complaints from clients who closed out their accounts because they were not satisfied with the service.

[redacted] has not been involved with any trading.

KVC-LA-208098-302-123

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 16 1997	
FBI - LOS ANGELES	

ms

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/25/97

[redacted]
Monrovia, California, telephone [redacted] was advised of the identity of the interviewing agent and the purpose of the interview. She provided the following information:

b6
b7C

[redacted] works as a [redacted] for J.B. OXFORD. She has done similar work in the past for [redacted]

[redacted] and the [redacted]
[redacted]
[redacted] duties include making sure [redacted] does not [redacted] her customers are [redacted] is a [redacted]
[redacted]
[redacted] reports to [redacted] the [redacted]
[redacted] obtained this job through an employment agency. She originally started as a temp, and now works full time. She was interviewed by [redacted]
[redacted] was told that IRVING KOTT is a consultant. She does not know who he reports to. [redacted] has seen KOTT once or twice since she has been employed at J.B. OXFORD. [redacted] does not know where KOTT's office is.
[redacted] does not know specifically what [redacted] does. She reports to [redacted] thinks that [redacted] is an executive assistant or secretary.
[redacted] is the [redacted] and reports to [redacted]
[redacted] boss instructed her to tell people who inquired that IRVING KOTT was a consultant. This came about because employees were asking about an article about KOTT that the correspondents brought to their attention.

b6
b7C

Investigation on 8/19/97 at Beverly Hills, CA

File # 196C-LA-208098 - 302 - 124

by SA [redacted]

Date dictated 8/25/97

196C-LA-208098

Continuation of FD-302 of [REDACTED], On 8/19/97, Page 2

J.B. OXFORD has a storage facility within walking distance of the office. [REDACTED] sends thier daily reports there for five year storage.

[REDACTED] knows of no specific securities which are promoted by KOTT, and does not deal with any of the sales aspects. b6 b7c

[REDACTED] is the [REDACTED] and [REDACTED] He works with the correspondents a lot. To [REDACTED] knowledge, [REDACTED] does not report to IRVING KOTT, but [REDACTED]

[REDACTED] is unaware of any questionable activity involving trading.

[REDACTED] has heard complaints from the correspondents about the fees being too high, and that the service is not what they want it to be. [REDACTED] has had no complaints directed against herself.

[REDACTED] has not been asked to promote stocks or trade on insider information.

1986-44-208098-302. b4

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 16 1997	
FBI - LOS ANGELES	

mss

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/25/97
[redacted] Van Nuys, California,
telephone [redacted] was advised of the identity of the
interviewing agent and the purpose of the interview. She
provided the following information:

b6
b7C

[redacted] works as a [redacted] for J.B.
OXFORD. She previously worked for [redacted] in
[redacted] in the [redacted]

[redacted] moved to Los Angeles [redacted]
She responded to an advertisement in the Los Angeles Times and
sent a resume to J.B. OXFORD in [redacted] She was hired by
[redacted]

IRVING KOTT is a consultant. [redacted] does not know if
he reports to anyone at the company. His office is located on
the other side of the building from hers. [redacted] does not know
whether KOTT is involved in hiring or firing employees. She has
heard the name [redacted] but does not know who she
is.

[redacted] is [redacted] does not know who [redacted]
[redacted] reports to, or what his capacity is.

No one has told [redacted] what to tell people about IRVING
KOTT.

J.B. OXFORD has a storage facility a few blocks away
from the office.

[redacted] does not know if KOTT pushes a particular stock
or whether the sales staff is instructed to.

[redacted] is the [redacted] and
oversees the company. [redacted] does not know who he reports to.

[redacted] is unaware of any questionable or improper
activities involving the brokers or traders.

b6
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[redacted] has heard customer complaints about unauthorized
trading, when a trader will put in a buy or sell order and the
customer does not know about it.

Investigation on 8/19/97 at Beverly Hills, CA

File # 196C-LA-208098 - 302-125

by SA [redacted] Date dictated 8/25/97

196C-LA-208098

Continuation of FD-302 of , On 8/19/97, Page 2 b6
b7C

has not been asked to promote stock or trade on insider information.

196C-CA-208098-302

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 1968	
MBS	

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/25/97
[redacted] New York,
New York, telephone [redacted] was advised of the identity
of the interviewing agent and the purpose of the interview. He
provided the following information:

b6
b7c

[redacted] is a [redacted] and has been a broker since
[redacted] He has previously worked for [redacted]
[redacted] He is currently the [redacted] J.B.
OXFORD office. [redacted] was interviewed by [redacted] for the
position. [redacted]
[redacted]

IRVING KOTT is a consultant and reports to the Board of
Directors. His office is one of the two corner offices. IRVING
KOTT does not have a say in hiring or firing.

[redacted] is [redacted] She
makes [redacted]
[redacted] is [redacted]
[redacted] is the [redacted] He runs
[redacted] and [redacted]
[redacted] does not know who he reports to.

J.B. OXFORD has a storage space close by, because it
must be within walking distance.

EBC TRUST was in the prospectus for LEGACY. J.B.
OXFORD sponsored it two years ago, approximately in May or June
1995.

LEGACY SOFTWARE was selected by the Branch Managers
after a presentation was made to the company. The [redacted]
[redacted] who selected LEGACY, [redacted] have
since left the company. LEGACY was brought on as a venture
capital deal. The idea was to bring LEGACY out as an "IPO"
business. This would be the type of stock that you would buy and
hold on to for a while. [redacted] stated that J.B. OXFORD is a
discount brokerage and is not structured for that type of
offering. LEGACY was co-funded by IBM and had contracts with
IBM, because LEGACY had IBM's best selling game product that
season. [redacted] does not think that anything has been bought for

b6
b7c

Investigation on 8/19/97 at Beverly Hills, CA

File # 196C-LA-208098 - 302 - 126

by SA [redacted] Date dictated 8/25/97

196C-LA-208098

Continuation of FD-302 of [redacted], On 8/19/97, Page 2

LEGACY in 1996 or 1997, and that the relationship has ended.

OERI FINANCE is part of the NIA BANK, which can do banking functions but not pay interest to their clients. This is [redacted]

[redacted] and [redacted] is also the [redacted]

[redacted] and [redacted] has a [redacted] stated that J.B. OXFORD has

nothing to do with OERI FINANCE.

b6
b7c

The HARISTON CORPORATION is not trading on the exchange. It is a well known stock and is "trading on the pink sheets". It has never been sold at J.B. OXFORD.

OPHTHALMIC IMAGING SYSTEMS was listed as one of the companies J.B. OXFORD "made market from". [redacted] stated that there would be no reason for J.B. OXFORD to recommend this stock because it does not increase in value that fast.

J.B. OXFORD HOLDINGS is the public company which holds J.B. OXFORD. [redacted] stated that they cannot make a credit trading their own stock, only the twenty dollar commission given to the broker for each trade.

WESTERN AND PACIFIC appeared in an article in Newsweek. CLAY has heard of the business, but stated that J.B. OXFORD has never retailed share of it.

CELLTECH MEDIA is one of the companies which J.B. OXFORD "makes a market in".

KOTT has never suggested or promoted a certain stock. [redacted] stated that a branch manager or KOTT could recommend a stock, but the brokers would not necessarily listen to the recommendation. The brokers watch the same stocks all the time, because those are the ones they are constantly trading in and out. [redacted] stated that there would be no incentive to recommend any one stock over any other. No sales scripts have been given out to promote stock.

[redacted] stated that he would never discourage anyone from selling stock because they would not get their commission. They would, however, discourage someone from selling stock in an IPO business, because revenues would go down if the market went off. [redacted] stated that doing IPOs was an attempt by J.B. OXFORD to make revenue, because they were losing bonds and mutual funds. [redacted] stated that the particular client base of J.B. OXFORD is one who wants to buy and sell all the time. They therefore discourage people who are "buy and hold"

196C-LA-208098

Continuation of FD-302 of [redacted], On 8/19/97, Page 3

types. J.B. OXFORD's clientele is not suited for IPOs.

IRVING KOTT goes to sales meetings. [redacted]

[redacted] in Los Angeles. Everyone in management was there. [redacted] was in control of the meeting. [redacted] stated that IRVING KOTT's biggest failure in life is his appearance of being in control of everything.

b6
b7c

[redacted] stated that there is no direct solicitation of any certain stock by the brokers because the calls come in too fast, and the brokers make commission on every sale. They don't have the time or inclination to push stocks. [redacted] stated that he thinks J.B. OXFORD is an extremely reputable broker dealer.

[redacted] has heard customer complaints about no one picking up the phone, or impatience with getting checks on time.

[redacted] stated that you could not make anything selling J.B. OXFORD HOLDING company stock, and that there would be a liability recommending your own stock.

19UC-LA 208098-302

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SEARCHED	INDEXED
SERIALIZED	FILED
SEP 16 1997	
FBI - LOS ANGELES	

1966-LA-208098-302-

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI - LOS ANGELES	

P1.

MPS

196C-LA-208099-322-128

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI - LOS ANGELES	

ms

196C-1A-205000-332-129

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI - LOS ANGELES	

ms

186C-LA-208098-302-

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
LOS ANGELES	

130

MS

196C-LA-20509P-202-131

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI - LOS ANGELES	

MJC

196C-AA-302-132

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI LOS ANGELES	

ms

166C-2A-200098-202-133

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 20 1967	
FBI - [illegible]	

MTS

111-1A-208018-302-134

1960

SEARCHED	INDEXED
SERIALIZED	FILED
[Large empty rectangular box]	
MAY	

1761-1A-208018-302-135

SEARCHED	INDEXED
SERIALIZED	FILED
FBI - LOS ANGELES	

MJS

196C-LA-208092-322-136

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI - LOS ANGELES	

MJS

196C-LA-200000-302-137

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 25 1997	

MJS

1966-LA-208098-302-138

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	

MTS

196C-WA-208008-302-139

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI - LOS ANGELES	

MSIS

1966-41-302-940

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 1 1967	

mas

196C-LA-

302 (141)

SEARCHED <i>2/1</i>	INDEXED <i>2/1</i>
SERIALIZED <i>2/1</i>	FILED <i>2/1</i>
SEP 10 1967	

MS

1988-1A-2000-721/42

SEARCHED	INDEXED
SERIALIZED	FILED

SEP 2 1997

MA

196C-LA-208098-302-143

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI - LOS ANGELES	

MSS

196C-LA-208098-302-144

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI - LOS ANGELES	

196C-LA-20809P-307-145

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	

195C-4A 208077-146

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 20 1997	
FBI - LOS ANGELES	

MIS

196C-LA-302-147

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI - LOS ANGELES	

MT

196C-LA-20809E-302-148

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 25 1997	

MTS

196C-LA-208098-302-149

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI - LOS ANGELES	

MJS

196C-LA-208098-302-150

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI LOS ANGELES	

MJS

196C-LA-208098-302-151

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI LOS ANGELES	

MTS

198C-LA-208098-302-152-

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI - LOS ANGELES	

MP

196C-LA-205078-302-153

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI - LOS ANGELES	

MJS

156C-1A 20000-02-154

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 2 1997	
FBI - LOS ANGELES	

MS

196C-LA-208098-302-155

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI - LOS ANGELES	

mjs

196C-LA-208098-302-156

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI - LOS ANGELES	

MJS

196C-LA-208097-302-157

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI - LOS ANGELES	

MJS

196C-LA-208097-302-158

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI - LOS ANGELES	

MTS

196C-LA-208098-302-159

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI - LOS ANGELES	

mjc

196C-LA-208098-302-100

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI - LOS ANGELES	

MJS

196C-41-255000-302 *Alb*

SEARCHED <i>OK</i>	INDEXED <i>OK</i>
SERIALIZED <i>OK</i>	FILED <i>OK</i>
SEP 26 1997	
FBI - LOS ANGELES	

MJS

196C-LA-208098-302-162

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI - LOS ANGELES	

MTS

146C-LA-208098-302-1163

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI - LOS ANGELES	

MJS

1966-LA-208098-32-164

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI - LOS ANGELES	

MTS

196C-LA-208091-202-165

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 26 1997	
FBI - LOS ANGELES	

MJS

196C-LA-208098-302-1166

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 2 1967	
FBI - LOS ANGELES	

MTX

196C-LA-208998-392-1167

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 6 1967	
FBI - LOS ANGELES	

MTC

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/26/1997

[redacted] of [redacted] Los Angeles, California, telephone number [redacted] fax number [redacted] was interviewed at her home. After being advised of the identity of the interviewing agent and the nature of the interview, she provided the following information:

b6
b7C

[redacted] is [redacted] has owned the [redacted] California, since [redacted] From [redacted] Rent was [redacted] paid total move in costs of [redacted] plus [redacted] in advance, plus [redacted] Payment was made by check.

From [redacted] for [redacted] [redacted] was the [redacted] agreement. Payment was made by check.

From [redacted] Oeri Finance rented the [redacted] for [redacted] the [redacted] was the [redacted] agreement. Payment is made by a wire transfer to [redacted] account number [redacted] account name [redacted] The ordering bank for the wire payments is the [redacted]

[redacted] believes that [redacted] have been the [redacted] since [redacted]

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b7C

The current [redacted] at [redacted] is [redacted] Los Angeles, California, telephone number [redacted] The [redacted] at [redacted] telephone number [redacted]

Investigation on 08/25/1997 at Los Angeles, California

File # 196C-LA-208098 - 302 - 1688

by [redacted] Date dictated 08/26/1997

b6
b7C

44-111-2000-165

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 28 1951	
FBI-LOS ANGELES	

- 1 -

FEDERAL BUREAU OF INVESTIGATION

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OTHER Per Sealing Order

Date of transcription 08/25/1997

[redacted] of [redacted] Los
[redacted] telephone number [redacted] was
served with a Grand Jury Subpoena [redacted] on [redacted]
After being advised of the identity of the agent serving the
subpoena, she accepted service.

[redacted] provided [redacted] to SA [redacted]
[redacted] pursuant to the subpoena at the time of being served
on [redacted] [redacted] are being retained by the Los
Angeles Office of the Federal Bureau of Investigation.

Investigation on 08/25/1997 at Los Angeles, California

File # 196C-LA-208098-302-109

by

SA [redacted]

Date dictated

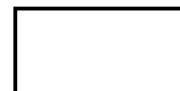
08/25/1997

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1962-4A-208098-302-169

SEARCHED	INDEXED
SERIALIZED	FILED
AUG 27 1997	
FBI-LOS ANGELES	



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- 1 -

FEDERAL BUREAU OF INVESTIGATION

OTHER Per Sealing Order

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Date of transcription 08/22/97

On [redacted] pursuant to a search warrant, [redacted]

[redacted] was searched. Following is the search log for [redacted]

Agents assisting on the search were: FBI SAs [redacted]

[redacted] United States Postal Inspectors [redacted]

Investigation on [redacted] at Beverly Hills, CAFile # 196C-LA-208098 - 302-170

OTHER Per Sealing Order

by SA [redacted]

Date dictated 08/22/1997

b6

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- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/10/97

[redacted] aka [redacted] of STOCKS 4 LESS, a wholly owned subsidiary of J.B. OXFORD HOLDINGS, 9665 Wilshire Boulevard, 2nd Floor, Beverly Hills, California 90212, business telephone numbers (888) 484-5377 and (310) 385-2380, home address [redacted] California [redacted] home telephone number [redacted] date of birth [redacted] social security number [redacted] California drivers license number [redacted] was interviewed by SA [redacted] who identified himself to [redacted] as a Special Agent with the FBI. SA [redacted] explained to [redacted] that the FBI is conducting a Securities Fraud investigation regarding IRVING KOTT, J.B. OXFORD AND COMPANY, and associated businesses and individuals, and that he would like to interview her regarding this investigation. [redacted] furnished the following information:

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In [redacted] she completed an [redacted] and was interviewed by [redacted] J.B. ONLINE for the position of [redacted]. She stated she turned this job down because of salary concerns. In [redacted] she was interviewed by [redacted] J.B. OXFORD COMPANY who offered to [redacted] the position of [redacted] for J.B. OXFORD COMPANY. [redacted] stated she accepted this position and was the [redacted] of J.B. OXFORD COMPANY until [redacted] when she became the [redacted] of STOCKS 4 LESS. She stated she [redacted] but [redacted] of STOCKS 4 LESS.

b6
b7C

[redacted] stated it is her understanding that IRVING KOTT is paid by J.B. OXFORD COMPANY to serve as the Marketing Consultant for the company. She stated she does not have a specific recollection on which she bases this understanding, but in all likelihood gleaned her understanding of KOTT's role by comments made by [redacted] and [redacted] who is [redacted] for J.B. OXFORD COMPANY. She stated [redacted] is [redacted] for STOCKS 4 LESS. Through inference and logical connections, she believes IRVING KOTT [redacted] who is [redacted] of J.B. OXFORD COMPANY. She stated IRVING KOTT uses the office next to [redacted] located on the third floor. She stated she does not believe IRVING KOTT has any say in the hiring or firing of employees.

b6
b7CInvestigation on 8/19/97 at BEVERLY HILLS, CAFile # 196C-LA-208098-302-172by SA [redacted] Date dictated 8/19/97

196C-LA-208098

Continuation of FD-302 of _____, On 8/19/97, Page 2

Regarding [redacted] stated she believes [redacted] is IRVING's [redacted] however, she is not sure what it is that [redacted] does related to business being conducted. She stated she presumes [redacted] reports to IRVING.

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[redacted] stated [redacted] is the [redacted] of J.B. OXFORD COMPANY and reports to [redacted]. She stated she is not aware of IRVING or [redacted] taking work from the office to KOTT's residence. She stated she has never been to IRVING KOTT's house, but is aware that IRVING does have business meetings at his residence.

[redacted] advised she was not given any instructions by anyone at J.B. OXFORD COMPANY regarding what to tell people who inquire about IRVING KOTT's status at J.B. OXFORD COMPANY.

She advised that J.B. OXFORD COMPANY has a storage facility near 9665 Wilshire Boulevard, and that [redacted] who is [redacted] [redacted] would know where the facility is located.

[redacted] stated she does not know what TURRET CONSULTANTS is nor does she know who works for TURRET CONSULTANTS although about three or four weeks ago she called IRVING KOTT at his office in Montreal, Canada and a woman answered the phone who said, "TURRET." [redacted] stated she has called this number previously and was somewhat surprised to hear the lady say, "TURRET."

[redacted] stated she is not familiar with any companies called E.B.C. TRUST or ARABELLA S.A. She stated she has seen the name of a company called OERI FINANCE as she saw faxes from that company to J.B. OXFORD COMPANY during the time period she was [redacted]. She stated [redacted] is the [redacted] of J.B. OXFORD HOLDINGS.

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[redacted] stated the name HARISTON CORPORATION is vaguely familiar to her, but she cannot place it. She stated she is not familiar with OPHTHALMIC IMAGING SYSTEMS, INC.

She stated she is familiar with LEGACY SOFTWARE because J.B. OXFORD COMPANY did the initial public offering (IPO) of LEGACY which occurred before she was employed by J.B. OXFORD COMPANY. She stated she thinks LEGACY was located somewhere in the Marina Del Rey, California area. She stated she's familiar with J.B. OXFORD HOLDINGS as this is the parent company of J.B. OXFORD COMPANY.

196C-LA-208098

Continuation of FD-302 of _____, On 8/19/97, Page 3

She stated she is not familiar with CYNERGY RENEWABLE RESOURCES, INC. formerly known as WESTERN AND PACIFIC nor is she familiar with a company called CELLTECH.

She stated she is not aware of any securities that IRVING KOTT has suggested or promoted at J.B. OXFORD COMPANY. She stated she is not aware of IRVING KOTT instructing the sales staff to push a specific stock nor is she aware of any scripts used to promote the companies mentioned earlier although she is sure that scripts are used.

[redacted] stated she has never been instructed to discourage customers from selling or finding a buyer within the firm to match any sell orders. She stated she's not aware of IRVING KOTT being present at any sales meetings because her position of margins manager at J.B. OXFORD COMPANY did not include being present during sales meetings. b6 b7c

[redacted] stated [redacted] is [redacted] of J.B. OXFORD COMPANY and does not believe that [redacted] IRVING KOTT.

[redacted] states she is not aware of any improper or questionable activity involving trading at J.B. OXFORD COMPANY by IRVING KOTT or any other executives of either J.B. OXFORD COMPANY or J.B. OXFORD HOLDINGS.

Regarding improper or questionable management, she stated about [redacted]

She told [redacted]

[redacted] b6 b7c
[redacted] She was somewhat surprised to hear this because she thought since [redacted]
[redacted] She asked who else would have to be consulted and [redacted] told her the others included [redacted] who [redacted] of J.B. OXFORD COMPANY, [redacted] who is the [redacted] and also [redacted] would have to be involved [redacted] asked [redacted]

[redacted] stated she is not aware of improper activity involving the brokers or traders at J.B. OXFORD COMPANY.

She stated she is not aware of any customer complaints at

196C-LA-208098

Continuation of FD-302 of _____, On 8/19/97, Page 4

J.B. OXFORD COMPANY, but as [REDACTED] she was not in a position to be aware of these complaints. At STOCKS 4 LESS she is aware of two complaints: one dealing with STOCKS 4 LESS holding a check for clearing and secondly the inability of a client to make a trade because the system was down. She stated she is not aware of any complaints made against her.

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b7C

She stated she has never been asked by IRVING or anyone at J.B. OXFORD COMPANY to promote stocks based on unreported press releases. She stated she has never been asked to trade J.B. OXFORD HOLDINGS stock on insider information.

[REDACTED] explained that the second floor suite consists only of STOCKS 4 LESS and J.B. ONLINE.

1761-CP-208078-502-172

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 2 1997	
FBI - LOS ANGELES	

1155

OTHER Per Sealing Order
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Search Log

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Agent	Agency		
	FBI		
	FBI		
	FBI		
	FBI		
	USPI		
	FBI		
	FBI		

196C-46-208094-302-173

SEARCHED	INDEXED
SERIALIZED	FILED
OCT 26 1997	
FBI LOS ANGELES	

MTS

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/20/97

[redacted] home address [redacted] Los Angeles, California 90046, home telephone number [redacted] work address 9665 Wilshire Boulevard, Suite 218, Beverly Hills, California was contacted at her place of business. After being advised as to the official identity of the interviewing Agent, and the nature of the contact, [redacted] thereafter provided the following information:

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b7C

[redacted] advised that she has been employed by J.B. OXFORD AND COMPANY as a [redacted] since [redacted] advised that her immediate supervisor is [redacted] [redacted] advised that her current salary is [redacted]

[redacted] advised that prior to being employed by J.B. OXFORD AND COMPANY she was employed as an [redacted] at [redacted] [redacted] advised that [redacted] is located at [redacted] California. [redacted] advised that she worked for [redacted] from [redacted] until [redacted] [redacted] advised that from [redacted] until [redacted] that she did [redacted]

b6
b7C

[redacted] advised that she was interviewed for her current position at J.B. OXFORD AND COMPANY by [redacted] her [redacted] [redacted] advised that she was hired approximately [redacted] [redacted] after her initial interview.

[redacted] advised that she has no personal knowledge of IRVING KOTT or [redacted] [redacted] advised that as far as she knows, [redacted] is the [redacted] further advised that she does not know to whom [redacted] reports.

[redacted] advised that she was given no specific instructions regarding what to tell people who inquire about KOTT's status at J.B. OXFORD AND COMPANY. [redacted] advised that she has no knowledge about alternate storage facilities for J.B. OXFORD AND COMPANY's documents and files. [redacted] advised that she had absolutely no knowledge about TURRET CONSULTANTS. [redacted] further advised that she had no knowledge about E.B.C. TRUST, ARABELLA S.A., or OERI FINANCE.

b6
b7C

Investigation on 08/19/97 at Beverly Hills, CA

File # 196C-LA-208098-302-174

by SA [redacted] Date dictated 08/20/97

196C-LA-208098

Continuation of FD-302 of [REDACTED]

, On 08/19/97, Page 2

[REDACTED] advised that during the course of her employment she was never told anything about the HARISTON CORPORATION, OPHTHALMIC IMAGING SYSTEMS, INCORPORATED, LEGACY SOFTWARE, J.B. OXFORD HOLDINGS, CYNERGY RENEWAL ABLE RESOURCES, INCORPORATED, formerly known as WESTERN AND PACIFIC, or CELLTECH. b6 b7C

[REDACTED] advised that she has no knowledge of the sales staff ever being instructed to push a specific stock nor has she ever been given a sales script to promote any of the companies that she said that she had no specific knowledge about. [REDACTED] further advised that she has never been instructed to discourage any customers from selling to or to find a buyer within the firm to match any sell orders.

[REDACTED] advised that she had never been to any sales meetings.

[REDACTED] advised that she believed that [REDACTED] was the [REDACTED] of J.B. OXFORD AND COMPANY and that she further did not know anything about a [REDACTED] KOTT relationship. b6 b7C

[REDACTED] advised that she was not aware of any improper or questionable activity involving trading and management at J.B. OXFORD AND COMPANY by KOTT or any other executives of J.B. OXFORD AND COMPANY or J.B. OXFORD HOLDINGS. [REDACTED] further advised that she was not aware of any improper activity involving the brokers or the traders of J.B. OXFORD AND COMPANY.

[REDACTED] advised that the only complaints that she was aware of were customer complaints regarding the length of time that they had to wait on the telephone. [REDACTED] further advised that she has never been asked by anyone at J.B. OXFORD AND COMPANY to promote stocks based on unreported press releases nor was she ever asked to trade J.B. OXFORD HOLDINGS stock based on insider information. [REDACTED] further advised that these particular duties were outside the parameters of her job.

[REDACTED] advised that her main password to log on to the ISI and ADP system was [REDACTED] b6 b7C

[REDACTED] is described as follows:

CA Drivers Lic:
Date of Birth:
Social Security #:
Height:
Weight:

[REDACTED]
5'3"
130 pounds

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Continuation of FD-302 of

, On 08/19/97

, Page 3

b6

b7c

Sex:	Female
Eyes:	Brown
Hair:	Black

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/20/97

[redacted] home address [redacted]
[redacted] Los Angeles, California 90061, home telephone number [redacted]
[redacted] work address 9665 Wilshire Boulevard, Suite 218,
Beverly Hills, California was contacted at his place of business.
After being advised as to the official identity of the
interviewing Agent, and the nature of the contact, [redacted]
thereafter provided the following information:

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[redacted] advised that he has been employed by J.B.
OXFORD AND COMPANY as a [redacted] since [redacted]
[redacted] advised that his [redacted] is [redacted]
[redacted] advised that his current salary is [redacted] per annum.

[redacted] advised that prior to being employed by J.B.
OXFORD AND COMPANY he was employed as an order entry taker for
GREAT WESTERN FINANCIAL SECURITIES. [redacted] advised that GREAT
WESTERN FINANCIAL SECURITIES was first located in downtown Los
Angeles and then moved to Chatsworth, California. [redacted]
[redacted] advised that he began this period of employment during [redacted]
[redacted] and continued there for [redacted]
[redacted] further advised that from [redacted] through [redacted] that
he was employed by [redacted] located
in [redacted] California. [redacted] advised that he was employed here
as a [redacted] [redacted] advised that while
at [redacted] he got his [redacted]
[redacted] which allowed him to [redacted] and put [redacted]

b6
b7C

[redacted] advised that he was interviewed for his
position at J.B. OXFORD AND COMPANY by [redacted] his [redacted]
[redacted] advised that subsequent to the interview, he
received a phone call approximately one week later advising him
that he had been hired for his current position at J.B. OXFORD
AND COMPANY.

[redacted] advised that he has no personal knowledge of
IRVING KOTT or [redacted] [redacted] advised that as
far as he knows, [redacted] is the [redacted]
[redacted] further advised that he does not know to whom [redacted] reports.

b6
b7CInvestigation on 08/19/97 at Beverly Hills, CAFile # 196C-LA-208098-302-175by SA [redacted] Date dictated 08/20/97

196C-LA-208098

Continuation of FD-302 of [REDACTED]

, On 08/19/97 , Page 2

[REDACTED] advised that he was given no specific instructions regarding what to tell people who inquire about KOTT's status at J.B. OXFORD AND COMPANY. [REDACTED] advised that he has no knowledge about alternate storage facilities for J.B. OXFORD AND COMPANY's documents and files. [REDACTED] advised that he had absolutely no knowledge about TURRET CONSULTANTS. [REDACTED] further advised that he had no knowledge about E.B.C TRUST, ARABELLA S.A, or OERI FINANCE. b6 b7C

[REDACTED] advised that during the course of his employment he was never told anything about the HARISTON CORPORATION, OPHTHALMIC IMAGING SYSTEMS, INCORPORATED, LEGACY SOFTWARE, J.B. OXFORD HOLDINGS, CYNERGY RENEWAL ABLE RESOURCES, INCORPORATED, formerly known as WESTERN AND PACIFIC, or CELLTECH.

[REDACTED] advised that he has no knowledge of the sales staff ever being instructed to push a specific stock nor has he ever been given a sales script to promote any of the companies that he said that he had no specific knowledge about. [REDACTED] further advised that he had never been instructed to discourage any customers from selling to or to find a buyer within the firm to match any sell orders.

[REDACTED] advised that he had never been to any sales meetings. b6 b7C

[REDACTED] advised that [REDACTED] was the [REDACTED] of J.B. OXFORD AND COMPANY but that he did not know who [REDACTED] reported to.

[REDACTED] advised that he was not aware of any improper or questionable activity involving trading and management at J.B. OXFORD AND COMPANY by KOTT or any other executives of J.B. OXFORD AND COMPANY or JB OXFORD HOLDINGS. [REDACTED] further advised that he was not aware of any improper activity involving the brokers or the traders of J.B. OXFORD AND COMPANY.

[REDACTED] advised that the only complaints that he was aware of were systems were not working, and that orders did not get satisfactorily filled on time. [REDACTED] advised that these were normal complaints and that it was J.B. OXFORD AND COMPANY's policy to make the customer right and whole. [REDACTED] advised that he knew of no direct complaints about himself that were lodged by customers. b6 b7C

[REDACTED] advised that he has never been asked by anyone at J.B. OXFORD AND COMPANY to promote stocks based on unreported press releases nor was he ever asked to trade J.B. OXFORD HOLDINGS stock based on insider information.

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Continuation of FD-302 of [redacted], On 08/19/97, Page 3 b6 b7C

[redacted] advised that his main password to first log in is [redacted]
[redacted] advised that his other password as a telephone trader is [redacted] and that his password to the SIS system was [redacted]

[redacted] is described as follows:

CA Drivers Lic:	[redacted]
Date of Birth:	[redacted]
Social Security #:	[redacted]
Height:	5'11"
Weight:	230 pounds
Sex:	Male
Eyes:	Brown
Hair:	Brown

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/20/97

[redacted] home address [redacted]
[redacted] California [redacted] home telephone number [redacted]
[redacted] work address 9665 Wilshire Boulevard, Suite 218, Beverly Hills, California was contacted at his place of business. After being advised as to the official identity of the interviewing Agent, and the nature of the contact, [redacted] thereafter provided the following information:

b6
b7C

[redacted] advised that he has been employed by J.B. OXFORD AND COMPANY as a [redacted] since [redacted] advised that his immediate supervisor is [redacted] further advised that his current salary is [redacted] per annum.

[redacted] advised that prior to being employed by J.B. OXFORD AND COMPANY he was employed for [redacted] with [redacted] [redacted] advised that [redacted] is located at [redacted] Los Angeles, California. [redacted] advised that he was [redacted] at [redacted] from [redacted] until [redacted] further advised that he was unemployed from [redacted] until [redacted]

b6
b7C

[redacted] advised that he was interviewed for his current position at J.B. OXFORD AND COMPANY by [redacted] his [redacted] [redacted] advised that subsequent to the interview, he received a phone call and reported to work approximately one week later. [redacted] advised that on his first day on the job he filled out insurance papers and acknowledged the rules of the firm.

[redacted] advised that he has no personal knowledge of IRVING KOTT, other than that KOTT is [redacted] [redacted] further advised that he has no knowledge of [redacted] [redacted] advised that he does not know what KOTT's day-to-day responsibilities are but that KOTT's office is located on the third floor. [redacted] advised that he does not know to whom [redacted]

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[redacted] advised that [redacted]

Investigation on 08/19/97 at Beverly Hills, CA

File # 196C-LA-208098 - 302-176

by SA [redacted] Date dictated 08/20/97

196C-LA-208098

Continuation of FD-302 of [REDACTED]

, On 08/19/97, Page 2

[REDACTED] advised that he was given no specific instructions regarding what to tell people who inquire about KOTT's status at J.B. OXFORD AND COMPANY. [REDACTED] advised that he has no knowledge about alternate storage facilities for J.B. OXFORD AND COMPANY's documents and files. [REDACTED] advised that he had absolutely no knowledge about TURRET CONSULTANTS. [REDACTED] further advised that he had no knowledge about E.B.C. TRUST, ARABELLA S.A., or OERI FINANCE.

b6
b7c

[REDACTED] advised that during the course of his employment he was never told anything about the HARISTON CORPORATION, OPHTHALMIC IMAGING SYSTEMS, INCORPORATED, LEGACY SOFTWARE, J.B. OXFORD HOLDINGS, CYNERGY RENEWAL ABLE RESOURCES, INCORPORATED, formerly known as WESTERN AND PACIFIC, or CELLTECH.

[REDACTED] advised that he has no specific knowledge of the sales staff ever being instructed to push a specific stock nor has he ever been given a sales script to promote any of the companies that he said that he had no specific knowledge about. [REDACTED] further advised that he has never been instructed to discourage any customers from selling to or to find a buyer within the firm to match any sell orders.

[REDACTED] advised that he had never been to any sales meetings and that the sales meetings were for supervisors only.

b6
b7c

[REDACTED] advised that [REDACTED] was the [REDACTED] of J.B. OXFORD AND COMPANY and that [REDACTED]

[REDACTED] advised that he was not aware of any improper or questionable activities involving trading and management at J.B. OXFORD AND COMPANY by KOTT or any other executives of J.B. OXFORD AND COMPANY or J.B. OXFORD HOLDINGS. [REDACTED] further advised that he was not aware of any improper activity involving the brokers or the traders of J.B. OXFORD AND COMPANY.

[REDACTED] advised that the only complaints that he was aware of were that there were delays in trading or that the delays were caused in the paperwork processing. [REDACTED] characterized these complaints as normal complaints which were easily and readily resolved.

[REDACTED] further advised that he has never been asked by anyone at J.B. OXFORD AND COMPANY to promote stocks based on unreported press releases nor was he ever asked to trade J.B. OXFORD

b6
b7c

196C-LA-208098

Continuation of FD-302 of [REDACTED], On 08/19/97, Page 3

HOLDINGS stock based on insider information.

[REDACTED] advised that his main password to log on to the Novell wire system was [REDACTED]

[REDACTED] is described as follows:

CA Drivers Lic:
Date of Birth:
Social Security #:
Height:
Weight:
Sex:
Eyes:
Hair:

[REDACTED]
195 pounds
Male
Brown
Brown

b6
b7C

196C-LA-208098-302-177

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 6 1998	
FBI-LOS ANGELES	

Memorandum



To : SAC Los Angeles [redacted]

Date 1/8/98

From : SA [redacted]

Subject : [redacted]

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b7C
b7D

Dates of Contact

File #s on which contacted (Use lines if File #s not available)
196C-LA-208098

Purpose and results of contact

- ☐ NEGATIVE
☒ POSITIVE
☐ STATISTIC

Description of
Statistical Accomplishment

Title of Case

File No.

Information herein
 obtained
 confidentially;
 informant's name is
 not to be disclosed in
 a report or otherwise
 unless it has been
 decided definitely
 this person is to be
 witness in a trial or
 hearing.

Information contained herein was obtained confidentially. The informant's name is not to be disclosed in any form unless a conscious decision has been made to disclose his/her identity by an appropriate FBI official.

PERSONAL DATA

1- 196C-LA-208098

Init [redacted] pah

(2)

196C-LA-208098-302-138

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 21 1998	
FBI-LOS ANGELES	

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b7C
b7D

see reverse side for statistics

STATISTICAL ACCOMPLISHMENTS
Criminal Informant/Cooperative Witness {CI/CW}

1. Number of Subjects Arrested:
 - a. FBI _____
 - b. Other Federal Agencies _____
 - c. State and Local Agencies _____
2. Number of Subjects/Victims Identified and/or Located:
 - a. FBI _____
 - b. Other Federal Agencies _____
 - c. State and Local Agencies _____
3. Number of Investigative Matters Initiated:
 - a. FBI _____
 - b. Other Federal Agencies _____
 - c. State and Local Agencies _____
4. Number of Disseminations Based Upon CI/CW Information: _____
5. Number of Violent Acts Prevented: _____
6. Number of Times CI/CW Information Used in Title III Affidavits:
 - a. FBI _____
 - b. Other Federal Agencies _____
 - c. State and Local Agencies _____
7. Number of Times CI/CW Information Used in Search Warrant Affidavits:
 - a. FBI _____
 - b. Other Federal Agencies _____
 - c. State and Local Agencies _____
8. Number of Times CI/CW Information Used in Obtaining Complaint/Information/Indictment:
 - a. FBI _____
 - b. Other Federal Agencies _____
 - c. State and Local Agencies _____
9. Merchandise Recovered (Value):
 - a. FBI _____
 - b. Other Federal Agencies _____
 - c. State and Local Agencies _____
10. Asset/Property Seized (Value at Time of Seizure):
 - a. FBI _____
 - b. Other Federal Agencies _____
 - c. State and Local Agencies _____
11. Monetary Value of Asset/Property Actually Forfeited to Government: \$ _____
12. Number of Convictions Obtained as a Result of Information Furnished by CI/CW or as a Result of other Significant Operational Assistance Furnished:
 - a. FBI _____
 - b. Other Federal Agencies _____
 - c. State and Local Agencies _____
13. Number of Times Undercover Agent or Other Law Enforcement Officer Introduced into an Investigative Matter by CI/CW:
 - a. FBI _____
 - b. Other Federal Agencies _____
 - c. State and Local Agencies _____
14. Drugs Recovered (Wholesale Value):
 - a. FBI _____
 - b. Other Federal Agencies _____
 - c. State and Local Agencies _____
15. Number of Consensually Monitored Conversations CI/CW participated in:
 - a. FBI _____
 - b. Other Federal Agencies _____
 - c. State and Local Agencies _____

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/8/97

On [redacted] Source furnished to investigating agents a tape of a consensually telephonic call between himself and [redacted] Investigating agents monitored the call.

b6
b7C
b7D

Investigation on [redacted] at [redacted] (telephonically)
File # 196C-LA-208098
by SA [redacted] pah
SA [redacted] pah Date dictated 8/28/97

b6
b7C
b7D

Memorandum



To : SAC Los Angeles [redacted]

Date 1/8/98

From : SA [redacted]

Subject [redacted]

b6
b7C
b7D

Dates of Contact

File #s on which contacted (Use Titles if File #s not available)

196C-LA-208098

Purpose and results of contact

- ☐ NEGATIVE
☒ POSITIVE
☐ STATISTIC

Description of
Statistical Accomplishment

Title of Case

File No.

Information herein
 obtained
 confidentially;
 informant's name is
 not to be disclosed in
 a report or otherwise
 unless it has been
 decided definitely
 this person is to be
 witness in a trial or
 hearing.

Information contained herein was obtained confidentially. The informant's name is not to be disclosed in any form unless a conscious decision has been made to disclose his/her identity by an appropriate FBI official.

PERSONAL DATA

1 196C-LA-208098

Init [redacted] pah

(2)

196C-LA 208098-302-179

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 21 1998	
FBI-LOS ANGELES	

b6
b7C
b7D

see reverse side for statistics

Memorandum



To : SAC Los Angeles [redacted]

Date 1/13/98

b6
b7C
b7D

From : SA [redacted]

Subject : [redacted]

Dates of Contact

File #s on which contacted (Use Titles if File #s not available)
196C-LA-208098

Purpose and results of contact

- ☐ NEGATIVE
☒ POSITIVE
☐ STATISTIC

Description of

Statistical Accomplishment

Title of Case

File No.

Information herein
 obtained
 confidentially;
 informant's name is
 not to be disclosed in
 a report or otherwise
 unless it has been
 decided definitely
 this person is to be
 witness in a trial or
 hearing.

①
 See

Information contained herein was obtained confidentially. The informant's name is not to be disclosed in any form unless a conscious decision has been made to disclose his/her identity by an appropriate FBI official.

PERSONAL DATA

196C-LA-208098-302-180

SEARCHED	INDEXED
JAN 21 1998	
FBI LOS ANGELES	

① 196C-LA-208098

Init [redacted] pah

(2)

see reverse side for statistics

b6
b7C
b7D

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 7/2/97

On

SOURCE,

California furnished to investigating agents a
tape of a consensually telephonic call between himself and

The call was made on

b6
b7C
b7D

Investigation on

File # 196C-LA-208098; 196C-LA-180617

by SA

pah
ah

Date dictated 6/18/97

b6
b7C
b7D

Memorandum



To : SAC Los Angeles [redacted]

Date 1/13/98

b6
b7C
b7D

From : SA [redacted]

Subject : [redacted]

Dates of Contact [redacted]		
File # [redacted] (if File #s not available) 196C-LA-208098		
Purpose and results of contact <input type="checkbox"/> NEGATIVE <input checked="" type="checkbox"/> POSITIVE <input type="checkbox"/> STATISTIC		
Description of Statistical Accomplishment	Title of Case	File No.
Information herein obtained confidentially; informant's name is not to be disclosed in a report or otherwise unless it has been decided definitely this person is to be witness in a trial or hearing.		
Information contained herein was obtained confidentially. The informant's name is not to be disclosed in any form unless a conscious decision has been made to disclose his/her identity by an appropriate FBI official.		
PERSONAL DATA		

1 - 196C-LA-208098

Init [redacted] pah

(2)

196C-LA-208098-302-1181

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 21 1998	
FBI-LOS ANGELES	

b6
b7C
b7D

see reverse side for statistics

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 7/2/97

On [] SOURCE, []
[] furnished to investigating agents a
tape of a consensually telephonic call between himself and []
[] The call was made on []

b6
b7C
b7D

Investigation on [] a []
File # 196C-LA-208098; 196C-LA-180617
by SA [] pah
SA [] ah

Date dictated 6/17/97b6
b7C
b7D

Memorandum



To : SAC Los Angeles [redacted]

Date 1/13/98

b6
b7C
b7D

From : SA [redacted]

Subject : [redacted]

Dates of Contact

File #s on which contacted (Use Titles if File #s not available)
196C-LA-208098

Purpose and results of contact

☐ NEGATIVE
☒ POSITIVE
☒ STATISTIC

Description of

Statistical Accomplishment

Title of Case

File No.

Information herein
 obtained
 confidentially;
 informant's name is
 not to be disclosed in
 a report or otherwise
 unless it has been
 decided definitely
 this person is to be
 witness in a trial or
 hearing.

Information contained herein was obtained confidentially. The informant's name is not to be disclosed in any form unless a conscious decision has been made to disclose his/her identity by an appropriate FBI official.

PERSONAL DATA

196C-LA-208098-302-182

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 21 1998	
FBI-LOS ANGELES	

① 196C-LA-208098

Init [redacted] pah

(2)

b6
b7C
b7D

see reverse side for statistics

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 7/2/97

On [redacted] SOURCE, [redacted]
[redacted] California furnished to investigating agents two
tapes of consensually telephonic calls between himself and [redacted]
[redacted] The consensually
recorded calls with [redacted] were on [redacted]
The call with [redacted] was on [redacted]

b6
b7C
b7D

Investigation on [redacted] at [redacted]

File # 196C-LA-208098; 196C-LA-180617by SA [redacted] Ppah
SA [redacted] ahDate dictated 6/27/97b6
b7C
b7D

Memorandum



To : SAC Los Angeles [redacted]

Date 1/13/98

b6
b7C
b7D

From : SA [redacted]

Subject : [redacted]

Dates of Contact

File #s on which contacted (Use File #s if File #s not available)

196C-LA-208098

Purpose and results of contact

- ☐ NEGATIVE
☒ POSITIVE
☐ STATISTIC

Description of

Statistical Accomplishment

Title of Case

File No.

Information herein
 obtained
 confidentially;
 informant's name is
 not to be disclosed in
 a report or otherwise
 unless it has been
 decided definitely
 this person is to be
 witness in a trial or
 hearing.

(X)
 pu

Information contained herein was obtained confidentially. The informant's name is not to be disclosed in any form unless a conscious decision has been made to disclose his/her identity by an appropriate FBI official.

196C-LA-208098-302-183

PERSONAL DATA

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 21 1998	
FBI-LOS ANGELES	

1- [redacted] 196C-LA-208098

Init [redacted] pah

(2)

see reverse side for statistics

b6
b7C
b7D

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 7/2/97

On [redacted] SOURCE, [redacted]
[redacted] furnished to investigating agents a
tape of consensually telephonic calls between himself and [redacted]
[redacted] The consensually recorded call with [redacted]
was on [redacted] The call with [redacted] was on [redacted]
[redacted] unexpectedly called SOURCE on [redacted]
[redacted] SOURCE told [redacted] he would call him back. SOURCE called
[redacted] back and recorded the conversation.

b6
b7C
b7D
b7E

SOURCE [redacted]
[redacted]
[redacted] SOURCE was instructed on
how to operate the device and that [redacted]
[redacted]

Investigation on [redacted] a [redacted]

File # 196C-LA-208098; 196C-LA-180617

SA [redacted] pah

by [redacted] pah

Date dictated 6/30/97b6
b7C
b7D

Memorandum



To : SAC Los Angeles [redacted]

Date 1/13/98

b6
b7C
b7D

From : SA [redacted]

Subject : [redacted]

Dates of Contact [redacted]

File #s on which contacted (Use Titles if File #s not available)
196C-LA-208098

Purpose and results of contact

- ☐ NEGATIVE
☒ POSITIVE
☐ STATISTIC

Description of
Statistical Accomplishment

Title of Case

File No.

Information herein
obtained
confidentiality;
informant's name is
not to be disclosed in
a report or otherwise
unless it has been
decided definitely
this person is to be
witness in a trial or
hearing.

Information contained herein was obtained confidentially. The informant's name is not to be disclosed in any form unless a conscious decision has been made to disclose his/her identity by an appropriate FBI official.

PERSONAL DATA

1-196C-LA-208098

Init [redacted] pah

(2)

196C-LA-208098-302-

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 21 1998	
FBI-LOS ANGELES	

b6
b7C
b7D

see reverse side for statistics

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 7/2/97

On [redacted] SOURCE, [redacted]
[redacted] furnished to investigating agents a
tape of consensually telephonic calls between himself and [redacted]
[redacted] Investigating agents monitored these
calls. The calls were made on [redacted] SOURCE returned
the recording device to investigating agents.

b6
b7C
b7D

Investigation on [redacted] at [redacted]

File # 196C-LA-208098; 196C-LA-180617

by SA [redacted] pah
SA [redacted] /pahDate dictated 7/1/97b6
b7C
b7D

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/15/1997

[redacted] born [redacted] residing at [redacted]
[redacted] CA, [redacted] telephone [redacted]
[redacted] California Driver's License [redacted] was interviewed
telephonically at his home, regarding his employment with J.B.
OXFORD (JBO). After being advised of the identity of the
interviewing agent and the nature of the interview, he provided
the following:

b6
b7C

[redacted] advised that he had recently received a letter,
while working at JBO, which introduced [redacted] as the
attorney representing the employees of JBO. He signed a letter
regarding [redacted] representation, but said he had not talked
with [redacted] nor considered himself represented. [redacted] was told
by the interviewing agent that he was not a subject or target of
the JBO investigation.

He advised that he was worried about talking with the
FBI or the Securities and Exchange Commission (SEC). [redacted]

b6
b7C

[redacted] He did not recall the specific wording, nor who was
present.

[redacted] was hired at JBO in [redacted] by [redacted]
who was the [redacted]
[redacted] was [redacted] JBO
[redacted] however, [redacted] was
[redacted] was worried about losing his job after
[redacted] so he went to talk with IRVING KOTT. IRVING KOTT
told him, [redacted]

[redacted] was

He advised that IRVING KOTT has called JBO at [redacted]
[redacted] and [redacted] in
the last month. [redacted]

b6
b7C

[redacted] advised that IRVING KOTT and JBO were/are

Investigation on 10/14/1997 at Los Angeles, CA (telephonically)

File # 196C-LA-208098-3027165

by SA [redacted]

Date dictated _____

196C-LA-208098

Continuation of FD-302 of [REDACTED]

, On 10/14/1997, Page 2

involved with [REDACTED] through a San Gabriel broker/dealer office named LANDMARK SECURITIES. [REDACTED] believes that JBO, or IRVING KOTT, invested about \$200,000 to get LANDMARK off the ground [REDACTED] b6 b7c

[REDACTED] and his [REDACTED] and is not involved with any questionable trades involving the companies indicated in a memo (HARISTON, LEGACY, OISI, etc) which was given to the employees of JBO after the search by the FBI.

As part of [REDACTED] job responsibilities, [REDACTED] provides [REDACTED] [REDACTED] advised [REDACTED] is used to make sure [REDACTED] [REDACTED] has given this [REDACTED] within the last week and all the stocks which were indicated in the memo [REDACTED] [REDACTED] thought that it was odd and asked [REDACTED] about the fact that the stocks were [REDACTED] and b6 b7c shrugged his shoulders, but said nothing.

[REDACTED] is responsible for [REDACTED] He advised that JBO has lost many of its [REDACTED] since the FBI search. He also added that [REDACTED] of JBO, and [REDACTED] JBO's [REDACTED]

[REDACTED] has been working [REDACTED] of JBO for the [REDACTED] is a [REDACTED] who was employed at JBO as [REDACTED] several years ago. He also knows [REDACTED] who was the [REDACTED] at JBO until [REDACTED] left JBO [REDACTED]

[REDACTED] advised that the traders at JBO [REDACTED] b6 b7c [REDACTED] believes that the traders at JBO are [REDACTED] He advised that they believe that they [REDACTED] and has heard some of the traders compare themselves to the [REDACTED]

There was a meeting in [REDACTED] that was attended by IRVING KOTT [REDACTED] and [REDACTED] At this meeting the [REDACTED] [REDACTED] IRVING KOTT was upset at the meeting and advised the others that [REDACTED] The [REDACTED]

196C-LA-208098

Continuation of FD-302 of [redacted], On 10/14/1997, Page 3 b6 b7C

[redacted] does not need to [redacted]

[redacted] believes that all of the traders operate in this manner, and that these problems go back to when [redacted] was [redacted] operates on an agency basis and does not go out and position.

[redacted] has a [redacted] A week [redacted] saw [redacted] and [redacted] He thought they were doing this [redacted]

JBO has an [redacted] on its computers. This system is called the [redacted] advised that this b6 system guarantees that the market maker sees every broker order and b7C that the market maker can sell at any price they want. [redacted] and [redacted] want all the [redacted] to be entered [redacted]

[redacted] advised that [redacted] is [redacted] and she supposedly [redacted] is at a [redacted] at telephone [redacted] STOCKS FOR LESS, a JBO subsidiary, and wants to run the correspondent business under a STOCKS FOR LESS banner rather than JBO.



wpa

b6
b7C

185
76C-LA-208098-302

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 29	
FBI-LOS ANGELES	

Real

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/09/1997

[redacted] born [redacted] residing at [redacted]
[redacted] telephone [redacted]
California Drivers License [redacted] was contacted at his
residence. Initially investigating agents spoke with [redacted]
outside the front of his home. Both SA [redacted] and SA [redacted]
identified themselves and [redacted] was told that he [redacted]
[redacted]
[redacted] At this point [redacted]
requested that we continue our discussion inside his home.

b6
b7C

[redacted] was told that he was [redacted]
[redacted]

Investigating agents advised [redacted]
[redacted]
advised that he wanted to have an attorney present during a more
detailed interview. Investigating agents asked [redacted] if he had
[redacted]

b6
b7C

SA [redacted] advised [redacted] that in cases such as this a
[redacted] was probably [redacted]
[redacted]

Investigating agents gave their business cards to

Investigation on

at

File #

196C-LA-208098-302-186 196C-LA-180617-24

by

SA [redacted]
SA [redacted]

Date dictated

b6
b7C

196C-LA-208098-302

196C-LA-180617

b6
b7C

Continuation of FD-302 of [redacted], On [redacted], Page 2

[redacted] SA [redacted] provided the name of the Assistant U.S. Attorney (AUSA) working with the investigating agents, [redacted] SA [redacted] told [redacted] to have his attorney contact AUSA [redacted] to arrange an interview.

186

1760-LA-208073-302

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 29 1964	
FBI-LOS ANGELES	

NO orig.
just info
adm 2/5/98

196A-LA-20898-302-187

SEARCHED	INDEXED
SERIALIZED	FILED
JAN 8 1998	
FBI-LOS ANGELES	

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/30/97

[redacted] white male, [redacted] date
[redacted] telephone number: [redacted]
[redacted] was informed of the identity of the
of birth: [redacted] interviewing Agents and the nature of the interview.
provided the following information: [redacted]

b6
b7C

[redacted] had worked as [redacted] at [redacted]
[redacted] for approximately [redacted] when he was
[redacted] of J.B. OXFORD, [redacted]
[redacted] at OXFORD, [redacted]
After accepting the [redacted] at the J.B. OXFORD
headquarters facility in Beverly Hills, California. During this
[redacted] witnessed a [redacted] at
[redacted] OXFORD Principal IRVING KOTT and J.B. OXFORD National
[redacted] told [redacted]
during this [redacted] but that the firm J.B. OXFORD made attempts to conduct itself in
an ethical manner. [redacted] with KOTT, [redacted] left
J.B. OXFORD. [redacted] believes that [redacted] was an ethical
individual and that when he left the firm, ethics took a turn for
the worse at J.B. OXFORD. [redacted] left J.B. OXFORD prior to [redacted]
officially [redacted] of J.B. OXFORD.

b6
b7C

[redacted] had previously been [redacted]
[redacted] of J.B. OXFORD, and therefore was only listed as a
consultant to the firm. However, [redacted] believes that KOTT and
[redacted] were the [redacted] of J.B. OXFORD. [redacted] saw
KOTT on the J.B. OXFORD trading floor giving instructions to
employees, and along with [redacted] KOTT fired J.B. OXFORD [redacted]

[redacted] With KOTT's money standing behind the firm, J.B. OXFORD
may have [redacted] about J.B. OXFORD's
misdeeds when [redacted]

When [redacted] to work at J.B. OXFORD in [redacted]
[redacted] KOTT [redacted]
for an interview. During this meeting, KOTT told [redacted] that
KOTT/J.B. OXFORD would [redacted] later
found that this [redacted]
software corporation, was a new issue sold by J.B. OXFORD. [redacted]

b6
b7CInvestigation on 12/2/97 at [redacted]File # 196C-BS- 67239Date dictated 12/19/97by SA [redacted] and [redacted]
SA [redacted] KRS

196C-BS-

Continuation of FD-302 of [REDACTED], On 12/2/97, Page 2

believes that KOTT extended a large bridge loan to LEGACY, and then offered increased commissions to J.B. OXFORD retail brokers in an effort to push sales of LEGACY. LEGACY went public through J.B. OXFORD at a \$6.00 per share price, and immediately rose to \$7.00 or \$8.00 per share in its first few days of trading. Eventually LEGACY rose as high as \$9.00 or \$10.00 per share.

b6
b7C

[REDACTED] worth of LEGACY stock. [REDACTED] would have sold more if not for a warning from J.B. OXFORD [REDACTED] who told [REDACTED] that [REDACTED] believes that KOTT and [REDACTED]

[REDACTED] noticed a contrast to the LEGACY start-up sales by OXFORD when [REDACTED]

[REDACTED] believes that this was because unlike LEGACY, there was no direct financial interest for OXFORD in artificially inflating the price of this stock.

[REDACTED] the [REDACTED] of J.B. OXFORD's [REDACTED]

b6
b7C

[REDACTED] also noticed [REDACTED] which were pushed by J.B. OXFORD. [REDACTED] was [REDACTED] in [REDACTED] and left J.B. OXFORD soon thereafter to work as a [REDACTED]

196C-BS-

Continuation of FD-302 of , On 12/2/97, Page 3

b6
b7C

196C-LA-208078-302-188

SEARCHED	INDEXED
SERIALIZED	FILED
FEB 16 1998	
FBI-LOS ANGELES	

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/05/99

On [redacted] was interviewed by
the FEDERAL BUREAU OF INVESTIGATION [redacted]
[redacted] doing business as J.B.
OXFORD, formerly known as REINOLDS, KENDRICK, STRATTON, INC.
[redacted] provided the following information:

b6
b7c

[redacted] stated that he had [redacted]
[redacted] in a firm by the name of J.B. OXFORD AND COMPANY, P. O. Box
5538, Beverly Hills, California, 90209-5538. His [redacted] at J.B.
OXFORD was [redacted] On

[redacted] all of [redacted]
[redacted] The [redacted] at
[redacted] in [redacted] is [redacted] At
the time of [redacted] had been [redacted]
[redacted] in the name of [redacted] The [redacted] for
[redacted] and the [redacted]
All of [redacted] in [redacted] are now [redacted]
[redacted] stated he [redacted]

b6
b7c

[redacted] stated that [redacted] which was
[redacted] at [redacted] Los Angeles,
California [redacted]

[redacted] stated he resides at [redacted]
[redacted] His telephone number is [redacted]
[redacted]

Investigation on 12/21/98 at [redacted] (telephonically)

b6
b7c

File # 196C-LA-208098-302 -189 Date dictated 12/31/98

by MAH SA [redacted]

Routing Slip
FD-4 (Rev. 8-8-89)

Date _____

To: ☐ Director

Att.: _____

FILE # _____

<input type="checkbox"/> SAC	<div style="border: 1px solid black; width: 200px; height: 100px;"></div>	_____
<input type="checkbox"/> ASAC		_____
<input type="checkbox"/> Supv.		_____
<input checked="" type="checkbox"/> Agent		_____
<input type="checkbox"/> OSM		_____
<input type="checkbox"/> Rotor		_____
<input type="checkbox"/> Steno	_____	_____
<input type="checkbox"/> Typist	_____	_____
<input type="checkbox"/> M	_____	_____
Room	_____	_____

Title _____ b6
b7C

RE: _____

- | | | |
|---|--|--|
| <input type="checkbox"/> Acknowledge | <input type="checkbox"/> For Information | <input type="checkbox"/> Return assignment card |
| <input type="checkbox"/> Assign <input type="checkbox"/> Reassign | <input type="checkbox"/> Handle | <input type="checkbox"/> Return file <input type="checkbox"/> serial |
| <input type="checkbox"/> Bring file | <input type="checkbox"/> Initial & return | <input type="checkbox"/> _____ |
| <input type="checkbox"/> Call me | <input type="checkbox"/> Leads need attention | <input type="checkbox"/> Return with action taken |
| <input type="checkbox"/> Correct | <input type="checkbox"/> Mark for indexing | <input type="checkbox"/> Return with explanation |
| <input type="checkbox"/> Deadline _____ | <input type="checkbox"/> Open case | <input type="checkbox"/> Search and return |
| <input type="checkbox"/> Delinquent | <input type="checkbox"/> Prepare lead cards | <input type="checkbox"/> See me |
| <input type="checkbox"/> Discontinue | <input type="checkbox"/> Prepare tickler | <input type="checkbox"/> Type |
| <input type="checkbox"/> Expedite | <input type="checkbox"/> Recharge file <input type="checkbox"/> serial | |
| <input type="checkbox"/> File | <input type="checkbox"/> _____ | |
| | <input type="checkbox"/> Send to _____ | |

b6
b7C



ran UNI; based on what I saw, I called SA [redacted] in LA. He asked that you do FD 71 as a 302 for his ~~file~~ 302 sub file (see UNI printout)

SAC

Office

See reverse side



12/22/98

View Full Response

UNI040M3

14:40:23

Page 2 of 3

Press desired program function key or Enter.

Name :

b6
b7C

Case ID . . : 196C-LA-208098-302

Resub . . :

ECFAD0MD

Case Information

Case ID . . : 196C-LA-208098-302

Status : P

Squad . . . :

Opened : 08/21/97

b6
b7C
b7E

Investigator :

Closed :

Title . . . : KOTT, IRVING

JB OXFORD

IRVING KOTT DBA JB OXFORD, FORMERLY KNOWN AS REINOLDS

KENDRICK STRATTON, INC

Subfile . . : FD-302'S

Changed to . :

F1=Help F12=Cancel

12/22/98

1:30PM

add

for

Please convert rough draft FD 71 to a 302

12/22/98

View Full Response

UNI040M2

14:40:08

Page 1 of 3

Press desired program function key or Enter.

Name :

DDN :

b6
b7C

Name No . . . : 1 Rec No : 1
Race : U Sex . : M
Case ID . . . : 196C-LA-208098-302
Character . . : SCF
Main/Ref . . : R
Serial . . . : 39; 53; 122
Document Date :
Event Date. . :
DOB :
POB :
ID Info . . . :
Locality. . . :

Command . . > +
F1=Help F3=Exit F4=Prompt F11=NextPg F12=Cancel F13=ViewSerial F14=AddAKA
F21=ViewCase

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/29/1998

[redacted] born [redacted] California
Drivers License [redacted] SSAN [redacted] residing at [redacted]
[redacted] CA [redacted] telephone [redacted]
[redacted] was interviewed at the United States Courthouse, 312 North
Spring Street, Los Angeles, CA, 90012. Present during the
interview was [redacted] Attorney at Law, as [redacted]
[redacted] Also present was AUSA [redacted] After being
advised of the identity of the interviewing agent and the nature
of the investigation, [redacted] provided the following:

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[redacted] advised that [redacted]
[redacted]
[redacted]
[redacted] considered himself [redacted]

Background:b6
b7C

[redacted] obtained a B.S. degree in [redacted] from
[redacted] and went on to receive a Master's Degree
[redacted]

Prior to [redacted] worked at [redacted]
for [redacted] He had positions in [redacted]
[redacted] and [redacted] spent a
short time at [redacted] which hired him from [redacted] and
formed [redacted]

[redacted] advised that he was a [redacted] for
[redacted] He worked at [redacted] then [redacted] to
work a [redacted]
[redacted] was a resident
of [redacted]

[redacted] had a friend that worked at [redacted]
[redacted] They went on to form [redacted]
[redacted] later became [redacted] which later
became [redacted]

b6
b7CInvestigation on 01/28/1998 at Los Angeles, CAFile # 196C-LA-208098

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✓ -190

by SA [redacted]

Date dictated _____

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Continuation of FD-302 of [REDACTED], On 01/28/1998, Page 2 b6 b7C

In [REDACTED] moved back to [REDACTED] and brought [REDACTED] At the time of the interview [REDACTED] had offices in [REDACTED]

[REDACTED] Most of the locations were just [REDACTED] advised that [REDACTED] provided [REDACTED]

[REDACTED]

[REDACTED] advised that [REDACTED]

[REDACTED] He was on the [REDACTED] a [REDACTED] involved in [REDACTED] but at the time of the interview, had not yet completed any deals.

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] was a [REDACTED] and [REDACTED] around [REDACTED] That was when the name changed to [REDACTED]

They launched [REDACTED] into [REDACTED] They designed and arranged for offices in [REDACTED] and the board of [REDACTED] grew. [REDACTED] advised that [REDACTED] became [REDACTED] They became [REDACTED]

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[REDACTED]

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Continuation of FD-302 of [REDACTED], On 01/28/1998, Page 3

b6
b7CIRVING KOTT & J.B. Oxford:

In the [REDACTED] IRVING KOTT (KOTT) into [REDACTED] KOTT appeared to be the solution to their [REDACTED] he was going to provide [REDACTED] KOTT was also to [REDACTED]

[REDACTED] advised that at that time, [REDACTED] had less [REDACTED] which created a problem with the National Association of Securities Dealers, the NASD. The [REDACTED] The NASD had notified them that [REDACTED] did not know of any problems KOTT had in his past during this time period. He subsequently learned that KOTT had been involved with a foreign broker/dealer and had legal difficulties in Europe.

[REDACTED] did not know who [REDACTED] The funds supposedly came from [REDACTED] [REDACTED] advised that one of the associates was [REDACTED] who appeared to be friends with KOTT. [REDACTED]

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KOTT did not have a position on the board. KOTT's position was described as a consultant and very general.

[REDACTED] had indicated to [REDACTED] that KOTT was to be involved with marketing and television advertising. [REDACTED] did not specify when this conversation with [REDACTED] took place. [REDACTED] had been brought into JBOH as [REDACTED] of the company's [REDACTED] and KOTT had a cordial relationship.

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[REDACTED] advised that KOTT was involved with more than just marketing. KOTT was active in the financial structure of JBOH. KOTT was involved in discussions of recapitalization of JBOH using JBOH debentures and the conversion rates (for stock) for those debentures. KOTT was making the suggestions for this recapitalization. OERI FINANCE was going to buy the bonds and [REDACTED] assumed that there was a connection between [REDACTED] and OERI FINANCE.

Hariston:

KOTT spoke of HARISTON CORP. (HARISTON) on many occasions.

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Continuation of FD-302 of [REDACTED]

, On 01/28/1998

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KOTT said it was going to be a great stock. HARISTON "allegedly" extracted minerals from dirt and had operations in Butte, Montana. The subject of HARISTON came up very quickly after KOTT arrived.

[REDACTED] raised questions about HARISTON stock shortly after KOTT "took over." [REDACTED] was in charge of the meeting when [REDACTED]

[REDACTED] was concerned about the HARISTON stock because of the cost of extraction versus the revenue of the extracted material. According to [REDACTED] the numbers had not been proven. No one had determined that there was a profit margin. JBOH was considering taking a position in HARISTON stock. The company did have a position in HARISTON in the inventory which was eventually liquidated.

KOTT had a practice of entering and exiting board meetings. He stayed for substantive discussion, but would then leave the board alone to make the decisions.

The [REDACTED] before KOTT was comprised of [REDACTED] and [REDACTED]. Immediately after KOTT came into the picture, the board changed to [REDACTED] and [REDACTED]. The board shifted over time and there was a clear KOTT contingent which included [REDACTED] and [REDACTED] later [REDACTED].

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[REDACTED] advised that [REDACTED] had [REDACTED] prior to JBOH. He described [REDACTED] as [REDACTED] and [REDACTED] had discussions where [REDACTED] indicated [REDACTED] advised that [REDACTED] did not have much of a role at the company [REDACTED]

Board Meeting:

In [REDACTED] there was a board meeting attended by KOTT, [REDACTED] and [REDACTED]. [REDACTED] and [REDACTED] asked for a coffee break to speak with [REDACTED]. They asked that [REDACTED] was not happy with this request, but [REDACTED] and [REDACTED] then explained [REDACTED] in the running of the company and certain transactions KOTT was behind.

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[REDACTED] based his understanding on the representations made to him by [REDACTED] and [REDACTED] who was [REDACTED]. [REDACTED] told [REDACTED] that KOTT was becoming more involved with the

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Continuation of FD-302 of [redacted], On 01/28/1998, Page 5

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[redacted] and the marketing of certain stocks [redacted] trading room. [redacted] told [redacted] of certain [redacted] the company. Additionally, there was an issue [redacted] and the overall impression that he was [redacted] KOTT wanted [redacted] These issues were presented to [redacted]

The board was presented with a draft of the [redacted] with the significant increases previously mentioned. [redacted]

Both [redacted] and [redacted] gave detailed explanations to [redacted] listened, but was guarded. [redacted] thought that [redacted] was not happy with what he was hearing.

[redacted] exited the meeting and told KOTT what they had said. KOTT came back into the conference room and was angry. KOTT used rough language and a loud tone. [redacted] then lunged at [redacted] and [redacted]

[redacted] advised that KOTT said to [redacted] and [redacted] said to KOTT, [redacted] an associate of KOTT, was also a [redacted]

Prior to the [redacted] Meeting:

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[redacted] described a board meeting which took place with the [redacted]

[redacted] The transaction would have been a major event for the public company, and [redacted] thought the discussion should have come from the board, not KOTT. [redacted] gave this example to show KOTT's influence over the company. Additionally, [redacted] knew that KOTT made recommendations regarding hiring and firing, but did not know if any of the suggestions were taken by company management.

[redacted] had a [redacted] He was an associate of KOTTs, but was not an employee of JBOH. [redacted] did

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Continuation of FD-302 of [redacted], On 01/28/1998, Page 6

not know if [redacted] ever became an employee of JBOH.

Kott Stocks:

[redacted] and [redacted] told [redacted] that KOTT had a personal interest in various stocks. At the [redacted] meeting, there was a concern from [redacted] and [redacted] that HARISTON stock was in the inventory of JBOH. [redacted] advised that there had been an

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[redacted] recalled LEGACY SOFTWARE being mentioned at a board meeting as a potential investment banking deal. JBOH was going to provide LEGACY with capital. [redacted] later learned that HARISTON had an interest in LEGACY.

OPHTHALMIC IMAGING SYSTEMS, INC. (OISI) stock was mentioned once to [redacted] by [redacted]. [redacted] did not know if KOTT was making money through stock trading. (However, because of the objection by [redacted] the area regarding KOTT making money via stock trading was not fully covered.)

Meeting:

[redacted] met with [redacted] and [redacted] at his house in [redacted] on the [redacted] before the [redacted] board meeting. They had lunch on [redacted] located at the [redacted]

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At this lunch meeting, [redacted] and [redacted] told him that KOTT was taking a more active role with the traders and brokers. They mentioned OISI and HARRISTON specifically. He recalled that [redacted]

[redacted] advised that JBOH was [redacted] and about JBOH being involved with that company.

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Continuation of FD-302 of [REDACTED], On 01/28/1998, Page 7

Kott's Background:b6
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[REDACTED] advised that he had read the BUSINESS WEEK article that reported KOTT'S "unsavory" stock trading activities.

Additionally, he recalled seeing a Lexus report about KOTT back in 1993 which was greater than 10 pages of articles related to KOTT.

[REDACTED] found out that KOTT had been charged with securities violations while [REDACTED] was putting the deal together to bring KOTT into the company. [REDACTED] expressed his concerns to the board, but the bottom line was that the company needed capital. KOTT was brought in to provide capital, not to run the company.

[REDACTED] and [REDACTED] discussed the possibility that KOTT was connected to organized crime. They didn't know for sure that KOTT was involved, but they thought it was possible.

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 02/06/98

[redacted] telephone [redacted]
was interviewed at his office. After being advised of the identity of the interviewing agents and the nature of the interview, [redacted] provided the following:

[redacted] advised that he was [redacted]

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[redacted] came to work at JBO when [redacted]
[redacted] in [redacted] was
hired by [redacted] and worked under him in the [redacted]
[redacted] A [redacted] is a [redacted] that can
Prior to
that, he was in [redacted] with [redacted] which was
[redacted] left in [redacted]

Shortly after he began working [redacted] the company was
[redacted] based
[redacted] was having problems with a particular
stock. [redacted] was [redacted]
[redacted] could not recall the name of the stock.

[redacted] advised that there was a rumor at the time that
IRVING KOTT (KOTT) [redacted]

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[redacted] recalled that an attorney for [redacted] had done due
diligence on the idea of bringing KOTT into [redacted]
This was about [redacted] the problem with the
[redacted] The attorney performing the due diligence
had discovered [redacted] KOTT.
[redacted] warned [redacted] that, [redacted]
[redacted] they should leave the company. [redacted] stayed, but

[redacted] knew that KOTT was supposed to [redacted]
[redacted] never saw KOTT pay his
share. KOTT brought in [redacted]

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Investigation on 02/04/98 at Arcadia, CA

File # 196C-LA-208098 -302

Date dictated _____

SA [redacted]
by SA [redacted]

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Continuation of FD-302 of [redacted]

, On 02/04/98

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[redacted] and [redacted] put in [redacted]
[redacted] The money came in at [redacted]

[redacted] KOTT was introduced to the employees [redacted]
[redacted] KOTT [redacted]
[redacted] KOTT [redacted] and began [redacted]

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[redacted] advised that he knew [redacted] from when he
worked at [redacted] had known [redacted] from
the [redacted] advised that [redacted]
[redacted] worked trades through
[redacted] but wasn't involved in
anything (i.e. questionable trading) going on at JBO.

[redacted] reported to [redacted] after [redacted]
Then he reported to [redacted] when he came in as
[redacted] JBO. When [redacted] started at [redacted] they [redacted]
[redacted] When he [redacted]
[redacted] had [redacted]

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In [redacted] there was a big fiasco involving [redacted]
[redacted] cleared for [redacted]

[redacted] All these firms were going to [redacted]
[redacted] along with [redacted] and [redacted] JBO'S [redacted] went
[redacted] advised that it was actually KOTT that told
[redacted] and [redacted] to do this.

[redacted] was familiar with the account names EBC TRUST
and OERI FINANCE. [redacted] believed that EBC TRUST was KOTT'S
account and OERI FINANCE was [redacted] account.

During the [redacted] that KOTT was at JBO
[redacted] saw some odd trading. [redacted]

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[redacted] EBC TRUST and OERI FINANCE had accounts
at all of these broker-dealers. [redacted] would see [redacted]
[redacted] in these accounts [redacted]

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Continuation of FD-302 of [REDACTED]

, On 02/04/98

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HARISTON was a stock that KOTT brought into the company. [REDACTED] advised that KOTT [REDACTED]

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[REDACTED] advised that [REDACTED]

In [REDACTED] called [REDACTED] and told him that [REDACTED]

[REDACTED] was doing [REDACTED]

[REDACTED] once told [REDACTED] that he had met KOTT about [REDACTED] and had done some [REDACTED] with him [REDACTED]

[REDACTED] KOTT got [REDACTED] involved in HARISTON.

[REDACTED] believed that KOTT was running the accounts and that [REDACTED] was not involved.

[REDACTED] advised that J.B. OXFORD COMPANY (JBOC) never had [REDACTED]. The members of the JBOC board were [REDACTED] and [REDACTED]

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[REDACTED] was the biggest month the firm had ever had.

[REDACTED] made [REDACTED] in commission. [REDACTED] advised that they wanted [REDACTED] and about a week later [REDACTED]

In 1995, when HARISTON was around \$6-\$8, KOTT came to see [REDACTED]. He said, [REDACTED] KOTT wanted [REDACTED] to get his [REDACTED]

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When [REDACTED] was given [REDACTED] he

[REDACTED] IRVING KOTT came [REDACTED]

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Continuation of FD-302 of [REDACTED]

, On 02/04/98, Page 4

[REDACTED] KOTT showed [REDACTED] a resume for [REDACTED] called his contacts at [REDACTED] to get information about [REDACTED]. They told him that she had good communication skills, but didn't know much about the business. After KOTT [REDACTED] he hired [REDACTED].

[REDACTED] told [REDACTED] that KOTT told him [REDACTED] what to do as [REDACTED] meaning that KOTT [REDACTED] As [REDACTED] could not avoid KOTT. [REDACTED] advised that [REDACTED] was responsible [REDACTED] not including [REDACTED] before he was replaced by [REDACTED] left JBO during the [REDACTED] and went to work with [REDACTED] and [REDACTED] can be reached at [REDACTED] told [REDACTED] that KOTT didn't want to [REDACTED] told this to [REDACTED] was at JBO for [REDACTED].

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[REDACTED] heard that [REDACTED] and [REDACTED] were interested in investing into JBO. [REDACTED] also advised that JBO was involved with LANDMARK SECURITIES, a day trade operation. [REDACTED] believed that KOTT [REDACTED] KOTT came to [REDACTED] put KOTT in contact with [REDACTED] name is on LANDMARK, but it's KOTT'S money. [REDACTED] can be reached at [REDACTED].

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KOTT opened LANDMARK because the NASD told him that it would take another year to open another STOCKS FOR LESS location.

[REDACTED] advised that the [REDACTED] was a [REDACTED] turned in a [REDACTED] and was [REDACTED] [REDACTED] also advised that the rumor at JBO was that [REDACTED] was banned from the securities business in England, and was on an NASD watch list.

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MOS

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/2/99

[redacted] residing at [redacted]
 [redacted] date of birth [redacted] place of birth, [redacted]
 [redacted] was interviewed at the New York County District Attorney's Office, One Hogan Place, New York, New York 10013. Present during the interview were United States Postal Inspector [redacted] Los Angeles, California, Assistant United States Attorney [redacted] Central District of California, Securities Exchange Commission Staff Attorneys [redacted] and [redacted] Los Angeles, California. Present during parts of the interview was [redacted] Deputy Chief, Investigations Division, New York County District Attorney's Office. [redacted] provided the following information:

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[redacted] said that he was [redacted]
 [redacted] first heard of J B Oxford & Company (JBOC) the weekend after the brokerage clearing firm ADLER COLEMAN (ADLER) went out of business on Friday February 24, 1995. That weekend the broker dealers that previously cleared through ADLER congregated at ADLER's offices looking for a new clearing firm. One of the clearing firms present at ADLER's offices was JBOC. Representing JBOC was its [redacted]

[redacted] said that he was told by the Principals of BILTMORE and MONROE PARKER that they had arranged a deal with JBOC to clear through. [redacted] also heard that BILTMORE and MONROE PARKER had to invest a couple of million dollars in JBOC in order for JBOC to clear for them. [redacted] was not sure which broker dealer specifically told him that.

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[redacted] said that he was having trouble finding a new clearing firm for [redacted] inquired with JBOC regarding their clearing services. [redacted]

[redacted] because of the [redacted] had outstanding [redacted] in trade date debits at the time [redacted] said that [redacted]

[redacted] said that [redacted] he had contacts with [redacted] and [redacted] of [redacted]
 [redacted] In those conversations, the names JBOC and IRVING KOTT

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Investigation on 5/19/99 at [redacted]
 File # 196C-LA-208098 -302-193 Date dictated [redacted]
 by SA [redacted] 5/19/99

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Continuation of FD-302 of [REDACTED]

, On 5/19/99, Page 2 b6
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[REDACTED] came up. [REDACTED] and [REDACTED] said that they were buying KOTT's paper meaning KOTT's stocks.

[REDACTED] said that in the fall of 1995, BEAR STEARNS stopped clearing for AR BARON. An attorney for [REDACTED] recommended that [REDACTED] call JBOC. [REDACTED] said that he knew KOTT. [REDACTED] called KOTT at JBOC and [REDACTED]. During the call, KOTT [REDACTED]. KOTT wanted further [REDACTED] such as [REDACTED].

[REDACTED] This information was given to KOTT.

[REDACTED] said that he understood that KOTT controlled JBOC. That was why KAPLAN called KOTT and not [REDACTED]. [REDACTED] said that he went to the JBOC offices in Beverly Hills, California a few days after [REDACTED] called KOTT. A car service picked up [REDACTED] at LAX airport and drove him to JBOC offices in Beverly Hills, California. [REDACTED] was met by [REDACTED] at JBOC's reception area. [REDACTED] to KOTT's office. [REDACTED]

[REDACTED] said that KOTT approved everybody that JBOC cleared for. [REDACTED] described [REDACTED] as the intro person. b6
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[REDACTED] said that he checked out KOTT through [REDACTED] and [REDACTED]. [REDACTED] said that KOTT was the boss at JBOC.

[REDACTED] also was told by [REDACTED]. [REDACTED] said that he was in a desperate situation, because if he did not find a clearing firm, AR BARON would go out of business.

[REDACTED] said that KOTT told him that he never did a deal unless he made money. KOTT also told [REDACTED] that he knew everything [REDACTED]. KOTT said that he obtained information on [REDACTED] through [REDACTED] and [REDACTED]. KOTT indicated that [REDACTED] and [REDACTED] currently worked for him. KOTT also gathered information on AR BARON through [REDACTED] and [REDACTED]. b6
b7C

[REDACTED] said that he was at JBOC's offices from 11:00am to about 5:00pm or 6:00pm. During that time he met with KOTT in KOTT's office except for about an hour when KOTT left for lunch. Prior to lunch, KOTT told [REDACTED].

[REDACTED] KOTT told [REDACTED].

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Continuation of FD-302 of [REDACTED]

, On 5/19/99

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[REDACTED] said that when KOTT left for lunch, he walked around JBOC's offices and spoke with [REDACTED] said that [REDACTED] for KOTT. [REDACTED] told [REDACTED] that KOTT's proposal sounded crazy to him. [REDACTED] said that KOTT was a good person and that [REDACTED] should [REDACTED] meaning, [REDACTED] because KOTT would make [REDACTED]

[REDACTED] said that during his meeting with KOTT, KOTT had several phone conversations with a person named [REDACTED] Last Name Unknown (LNU). KOTT told [REDACTED] KOTT had the speaker phone on during one or two of his calls with [REDACTED] The call dealt with [REDACTED]

[REDACTED] said that the phrase [REDACTED] is industry jargon for the owner of stock. When [REDACTED] used the phrase in reference to KOTT, he was referring to KOTT's stocks. [REDACTED] said that he met with KOTT alone. After [REDACTED] brought [REDACTED] to KOTT's office, [REDACTED] said he was leaving them alone so they could talk. [REDACTED] initially tried to establish rapport with KOTT by asking KOTT some background questions. He then told KOTT that [REDACTED] b6 b7C

[REDACTED] KOTT told [REDACTED] that he [REDACTED] and that he [REDACTED] KOTT then said that nobody [REDACTED] KOTT said that he [REDACTED] KOTT explained that [REDACTED]

[REDACTED] said that during the day, KOTT introduced him to [REDACTED] who worked at JBOC. KOTT's [REDACTED] also worked at JBOC.

[REDACTED] said that KOTT wanted [REDACTED] at JBOC as a requirement for [REDACTED] JBOC. KOTT said the [REDACTED] would be [REDACTED]

[REDACTED] said that he did not have much leverage during his negotiations with KOTT. [REDACTED] said that after hearing this condition in order for JBOC [REDACTED] he made some calls to [REDACTED] offices in New York. [REDACTED] called from JBOC's offices. [REDACTED] talked with [REDACTED] and [REDACTED] briefed [REDACTED] and [REDACTED]

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Continuation of FD-302 of [REDACTED]

, On 5/19/99

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[REDACTED] on KOTT's proposal. [REDACTED] said that [REDACTED]

[REDACTED] were [REDACTED] and [REDACTED] respectively.

[REDACTED] said that [REDACTED] that KOTT [REDACTED] said that this arrangement was the same one that [REDACTED] had with KOTT. The arrangement called for [REDACTED]

[REDACTED] said that KOTT told him that [REDACTED]

[REDACTED]. For example, if a KOTT [REDACTED]

In KOTT's view, [REDACTED]

[REDACTED] said that KOTT knew he had the ability to raise a lot of money. [REDACTED] was the [REDACTED] had a lot of high net worth clients. [REDACTED] said that KOTT did not care who purchased his stock, as long as somebody bought it.

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[REDACTED] said that KOTT added another condition onto the proposal. KOTT wanted [REDACTED]

[REDACTED] said that nothing got finalized in his meeting with KOTT. [REDACTED] said that at some point during the meeting, he and KOTT called [REDACTED] KOTT told [REDACTED] that we'll work everything out.

[REDACTED] said that his meeting with KOTT was disrupted several times during the day. The interruptions included KOTT's [REDACTED], coming in several times to speak with KOTT, [REDACTED] asking KOTT for advise regarding a problem with a [REDACTED] and numerous phone calls KOTT had with [REDACTED] said that KOTT spoke to [REDACTED] twice on the speaker phone and had 2 or 3 private calls with him. [REDACTED] believed FELIX was [REDACTED] since [REDACTED] spoke with an [REDACTED] described KOTT's and [REDACTED] relationship as partners in a lot

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Continuation of FD-302 of [REDACTED], On 5/19/99, Page 5 b6 b7C

of deals. As a result of the calls, [REDACTED] believed [REDACTED] was KOTT's [REDACTED] that enabled KOTT to [REDACTED]

[REDACTED] said that KOTT ran JBOC. [REDACTED] based this on the fact that KOTT had the biggest office at JBOC. As a result of his meeting with KOTT, [REDACTED] learned that [REDACTED] came into KOTT's office and asked for advice. KOTT told [REDACTED] what to do specifically with [REDACTED]

[REDACTED] said that the names OERI FINANCE and EBC TRUST sound familiar but he does not recall them.

[REDACTED] said that during one of the calls KOTT had with [REDACTED] he was asked to step out of KOTT's office. [REDACTED] waited outside KOTT's office door. He heard them talking, but did not specifically know what they talked about. The general information [REDACTED] heard from KOTT's conversations with [REDACTED] on the phone were how many shares were long, the structure of the new companies, whether it was a private placement or bridge loan, the valuation of the company, and specially who [REDACTED] was selling the stock to and how much they owned.

[REDACTED] said that when KOTT put [REDACTED] on the sneaker phone b6 he felt that KOTT was trying to impress him. KOTT told [REDACTED] "see b7C what we can do, I can make you a lot of money".

[REDACTED] said that KOTT's trading philosophy included being [REDACTED]

[REDACTED] said that KOTT told him that he did all these trading techniques and [REDACTED]

[REDACTED] said that at the conclusion of his meeting with KOTT, [REDACTED] where he was staying [REDACTED] made basic small talk with [REDACTED]

[REDACTED] said he was [REDACTED] [REDACTED] said that KOTT was living in Cary Grant's former house in Beverly Hills, California. [REDACTED] said that [REDACTED] to KOTT's house. KOTT's [REDACTED] KOTT was [REDACTED] who was at the house when [REDACTED] arrived, left shortly thereafter. KOTT's [REDACTED] participated in small talk with [REDACTED]

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Continuation of FD-302 of [REDACTED]

, On 5/19/99

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KOTT and [REDACTED] at some point during the evening. KOTT received a call from [REDACTED]. After dinner, KOTT and [REDACTED] watched the [REDACTED] said that KOTT discussed business openly in front of his wife. During the evening, KOTT repeated to [REDACTED] that he was going to teach [REDACTED] KOTT was going to take [REDACTED]

[REDACTED] KOTT was trying to impress upon [REDACTED] that he had been around and that he never did a deal unless he made money. KOTT said that he [REDACTED]

[REDACTED] KOTT's [REDACTED] recalled that during his meeting with KOTT at JBOC's offices. KOTT told him that [REDACTED]

[REDACTED] KOTT said he [REDACTED]

[REDACTED] said that [REDACTED] KOTT told [REDACTED] he was looking forward to doing business with him. KOTT said we will work out a deal. [REDACTED] said that a car service [REDACTED]

During the ride, he called [REDACTED] told [REDACTED] that he thought he had a deal with KOTT.

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[REDACTED] said that KOTT's people [REDACTED]

[REDACTED] said that he discussed KOTT's arrangements regarding [REDACTED]

[REDACTED] did not believe he discussed KOTT's arrangement with [REDACTED] He discussed the credit arrangement with them.

[REDACTED] said that when he returned to New York, the deal he discussed with KOTT at the J B Oxford Offices in Beverly Hills, California began to slow down. [REDACTED] explained that KOTT did not take his calls too quickly. When he did take them, KOTT told him that [REDACTED] was working on the paperwork. During one of his phone calls with KOTT, after their Beverly Hills meeting, he had KOTT on his speaker phone in his New York office. Present in [REDACTED] office during the call was [REDACTED] During the call, KOTT told [REDACTED]

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This changed the deal he talked with KOTT about in Beverly Hills, California. [REDACTED] expressed his displeasure to KOTT about this new condition. KOTT told [REDACTED] to go talk with [REDACTED] a JBOC employee who was at the [REDACTED] went into another office with [REDACTED] and talked with him. [REDACTED] said that [REDACTED] previously worked at [REDACTED] where [REDACTED] developed a relationship with him. [REDACTED] said

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Continuation of FD-302 of [redacted], On 5/19/99, Page 7

that KOTT's the man and that [redacted] should [redacted]

[redacted] asked [redacted] what about [redacted]

[redacted] told [redacted] that [redacted]

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[redacted] said that the next day, which was Saturday, he received a telephone call from KOTT, probably in the morning. KOTT told [redacted]

[redacted] said that he got extremely upset because he thought he had a deal with KOTT. During the call KOTT then proposed an alternate deal. KOTT wanted [redacted]

[redacted] said that he had never heard of [redacted]

[redacted] KOTT told [redacted]

[redacted] said that if he agreed to KOTT's new proposal, it would take [redacted]

[redacted] said that he talked this over with [redacted]

[redacted] who was the [redacted]

[redacted] said that he called [redacted] sometime SATURDAY afternoon. As

a result of that call [redacted] stopped by his office around 4:00pm on b6
5:00pm [redacted] had his family with him. They were on their way to b7C

[redacted] met with [redacted] in his office.

[redacted] said that he was the [redacted]

[redacted] said that KOTT made him millions of dollars in the [redacted]

[redacted] indicated that [redacted]

KOTT sold his paper to [redacted]

[redacted] then [redacted] indicated that [redacted] and some other correspondents helped support the price

of KOTT's paper and JBOH stock. The other correspondents were [redacted]

[redacted] said that [redacted] was trying to convince him to go along with KOTT's proposal

and [redacted]

[redacted] said that the following Monday or Tuesday, an [redacted] b6

[redacted] named [redacted] brought a person named [redacted] by b7C

his office. [redacted] had a pre-existing relationship with [redacted]

[redacted] described [redacted] as an [redacted] in a suit.

[redacted] looked like somebody out [redacted] told [redacted]

[redacted] that he owned [redacted] brought up the [redacted]

deal he had going with KOTT, but it turned out to be a completely different deal than the ones previously discussed. [redacted] said that

under this new deal [redacted]

[redacted] said that KOTT did not care about those stocks.

[redacted]

[redacted]

[redacted] told [redacted] that if AR

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Continuation of FD-302 of [redacted], On 5/19/99, Page 8 b6
b7C

[redacted] After
[redacted] finished talking, [redacted] told [redacted] that he had nothing to
talk to him about and asked [redacted] to leave his office.

[redacted] said that he worked out a deal with another
clearing agent [redacted]

[redacted] said that he talked about his discussion with [redacted]
with [redacted] and [redacted]

[redacted] said that he asked [redacted]
[redacted] what type of person KOTT was. [redacted]
[redacted] said they [redacted]
[redacted]

[redacted] said that he had one or two discussions with [redacted]
[redacted] of [redacted] verified everything KOTT and [redacted]
told him. [redacted] said [redacted]

[redacted] was taken to levels
[redacted] were supporting
[redacted] said that KOTT made b6
him a lot of money. b7C

[redacted] said that he understood that KOTT owned his stock
for free. The paper KOTT had was cheap.

[redacted] said that during his conversations with KOTT at the
JBOC offices and on the telephone KOTT called the brokerage firms
that sold his paper as the [redacted] KOTT said [redacted]

[redacted] KOTT's stock was sold to [redacted]
[redacted]
[redacted]

[redacted] said that [redacted] b6
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[redacted] said that he had the understanding that the stock
was [redacted]

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/1/99

[redacted] residing at [redacted] home telephone [redacted] date of birth [redacted] social security number [redacted] was interviewed at the New York County District Attorney's Office, One Hogan Place, New York, New York 10013. Present during the interview were United States Postal Inspector [redacted] Los Angeles, California, Assistant United States Attorney [redacted] Central District of California and Securities Exchange Commission Staff Attorneys [redacted] and [redacted] Los Angeles, California. [redacted] provided the following information:

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[redacted] said that he [redacted] He was responsible for the [redacted] [redacted] handled everything at [redacted] except [redacted] functions. [redacted] started working at [redacted] At that time, [redacted] was the [redacted] of the company. [redacted] was [redacted] in name only. [redacted] who was working at [redacted] was part of the [redacted] [redacted] had [redacted] and [redacted] took over [redacted] had [redacted] They were [redacted] and [redacted] [redacted] was paid [redacted] a month [redacted] had no authority to make decisions but [redacted] assumed that [redacted] accepted the advise that [redacted] gave him.

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[redacted] said that [redacted] in [redacted] consisted of [redacted] and [redacted]

[redacted] said that in [redacted]

[redacted] said that from [redacted] he was [redacted]

[redacted] During the time [redacted] had

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Date dictated

by SA [redacted]

5/19/99

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Continuation of FD-302 of [REDACTED], On 5/19/99, Page 2 b6 b7C

exploratory talks with KOTT regarding JBOC, becoming [REDACTED]
 [REDACTED] said he came back to work on [REDACTED]
 At that time BEAR STEARNS was the [REDACTED] Bear
 Stearns was concerned about [REDACTED]

[REDACTED] At that
 time [REDACTED] and [REDACTED]

[REDACTED] said that at the end of [REDACTED] talked
 with KOTT on the phone. As a result of that call [REDACTED] met with
 KOTT in Los Angeles, California. While [REDACTED] was at JBOC's offices
 meeting with KOTT, [REDACTED] received [REDACTED] from [REDACTED]
 placed one of the calls from JBOC's offices on speaker phone. Present
 with [REDACTED] The call dealt
 with going over various parameters of the deal. The key points of the
 call were:

The Financing arrangements; [REDACTED]

[REDACTED] of
 [REDACTED] lt-

[REDACTED] said that [REDACTED] had [REDACTED] in b6 b7C
 Beverly Hills, California. Also [REDACTED] and
 [REDACTED]

[REDACTED] said that [REDACTED] was only [REDACTED] He did not
 know the back office operations of a broker dealer. As a result,
 [REDACTED] called [REDACTED] for his input on the deal.

[REDACTED] said that when [REDACTED] returned to [REDACTED] a b6 b7C
 meeting was called to go over KOTT's proposal and set strategy.
 Participating in the meeting were [REDACTED]

[REDACTED] an [REDACTED] and [REDACTED] an [REDACTED]
 [REDACTED] said that he knew KOTT previously and commented that if KOTT

[REDACTED] said that he understood that KOTT wanted AR BARON to
 be taken over by GREENWAY and then clear through JBOC. That way, AR
 BARON did not have to raise additional capital.

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Continuation of FD-302 of [REDACTED], On 5/19/99, Page 3 b6 b7C

[REDACTED] said that he was present in [REDACTED] when [REDACTED] received a call from a person named [REDACTED] put the call on the speaker phone. [REDACTED] heard [REDACTED] say that he was calling on behalf of [REDACTED] wanted to know [REDACTED]

[REDACTED]

[REDACTED] said that he had a separate conversation with [REDACTED] concerning [REDACTED] call. As a result of the discussion, they decided not to call KOTT.

[REDACTED] said that he spoke to [REDACTED] regarding the [REDACTED] told [REDACTED] he heard some of the stories, specifically the story that AR BARON was taking over GREENWAY and not vice versa. That made [REDACTED] upset. [REDACTED] also heard about [REDACTED] call to [REDACTED] regarding the [REDACTED] [REDACTED] said that [REDACTED] works at [REDACTED] full time. [REDACTED] handles check requests and money areas. [REDACTED] said that he does not know how [REDACTED] [REDACTED] said that his guess why KOTT wanted [REDACTED]

[REDACTED]

[REDACTED] said that he is currently [REDACTED] He has been in that capacity for the last [REDACTED]

[REDACTED]

[REDACTED] said that [REDACTED] told him that KOTT had the biggest office at JBOC and made all the decisions there.

[REDACTED] said that before [REDACTED] left JBOC, he saw [REDACTED] probably looking for a job.

[REDACTED] said that EBC Trust may have an account at JOSEPH DILLON.

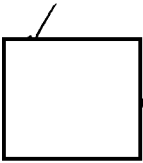
[REDACTED] said that prior [REDACTED] he worked at [REDACTED] for [REDACTED]

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it, so its not
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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/09/1999

[redacted] JB
 Oxford Holdings, Inc., 9665 Wilshire Blvd., Third Floor, Beverly Hills, CA 90212, work telephone number [redacted] date of birth [redacted] place of birth, [redacted] was interviewed at the Los Angeles United States Attorney's Office. Present during the interview were [redacted] and [redacted]. Also present were Assistant United States Attorneys [redacted] and [redacted] Central District of California. [redacted] furnished the following information:

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[redacted] said that he was raised in [redacted]. He currently resides at [redacted] home telephone number [redacted] provided a business address as [redacted]

[redacted] work telephone number [redacted]
 [redacted] said that he also has an office at JB Oxford Holdings, Inc. (JBOH). [redacted] said he [redacted] also visits JB Oxford Company's (JBOC) offices in [redacted] JBOC's offices in [redacted]

[redacted] said his current occupation is [redacted]. The [redacted] of [redacted] and [redacted] is the [redacted] of [redacted] operates similar to an investment-merchant banking firm in that it researches potential investments and upon finding an appropriate investment, seeks investors to invest in the situation. The investment situations focus on distressed companies in the real estate industry. The companies are usually undervalued, poorly run and have high expenditure costs, such as officer salaries. [redacted] either looks to take control of the company or receives a finder's fee. [redacted] operates similar to a partnership. [redacted] has [redacted]

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[redacted] said that he is currently the [redacted] of JBOH. He is also [redacted] of JBOH. The [redacted] of JBOH is [redacted] JBOH owns 100% of JBOC. The [redacted]

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by SA [redacted]

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[REDACTED] of JBOC is [REDACTED] and [REDACTED] are both [REDACTED] of JBOC.

[REDACTED] said that his educational background includes an undergraduate degree from [REDACTED] in [REDACTED] received a [REDACTED] and [REDACTED] attended [REDACTED] and graduated in [REDACTED]. After graduation, [REDACTED] went to work for the [REDACTED] which had offices in [REDACTED] and [REDACTED] worked out of the [REDACTED] said his practice consisted of [REDACTED] and [REDACTED] was with [REDACTED] from [REDACTED] through [REDACTED] next went to work for the law firm [REDACTED]. The firm was located in [REDACTED]. His practice consisted of [REDACTED] and [REDACTED] work. [REDACTED] worked there from [REDACTED] [REDACTED] moved to [REDACTED] and set up [REDACTED] with [REDACTED] first met [REDACTED] in [REDACTED] in a [REDACTED] and [REDACTED] both invested in the deal and [REDACTED]

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[REDACTED] said that he is [REDACTED] in the states of [REDACTED] and [REDACTED]. The professional licenses he has are [REDACTED] obtained these in the [REDACTED] does [REDACTED] is a [REDACTED] by profession. [REDACTED] did [REDACTED] and [REDACTED]

[REDACTED] said that after the real estate market reached its peak, [REDACTED] turned its attention toward the financial services industry. [REDACTED] research led them to JBOH.

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[REDACTED] The criteria for the filters were publically traded companies, less than \$250 million market capital and a 2 or less price to asset ratio. Included in the criteria was the industry and zip codes. A limited list was derived using these criteria. JBOH was among those companies on the list. The public filings for JBOH were reviewed. A review of JBOH's 10-K revealed the company was seeking additional investors and that the company was under investigation. In [REDACTED] called then [REDACTED] that [REDACTED] was an investor, looking to invest in companies in the financial service area and that they would want significant influence at the board level. [REDACTED] indicated that JBOH was looking for investors but they were already very close to finalizing a deal with another investor. [REDACTED] indicated that he could put [REDACTED] in touch with the investor to see if he

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[REDACTED] had room for additional investors. At that point, [REDACTED] identified the investor as [REDACTED] gave [REDACTED] telephone number to [REDACTED] indicated that JBOH had been working on the deal with [REDACTED] since [REDACTED]. The terms and conditions of the deal had been agreed upon. [REDACTED] did not discuss JBOH's criminal problems in his initial call to [REDACTED]. [REDACTED] said that he called [REDACTED] in [REDACTED] indicated that he had done a deal with JBOH. [REDACTED] said that he had been negotiating and conducting due diligence on JBOH since [REDACTED]. [REDACTED] told [REDACTED] that [REDACTED] was not interested in being a passive investor. [REDACTED] wanted control of JBOH. [REDACTED] told [REDACTED] if he needed money, [REDACTED] was willing to invest but they wanted at least a majority control of the Board of Directors. Also during the call, [REDACTED] told [REDACTED] that he [REDACTED] considered himself [REDACTED].

[REDACTED] said that he met with [REDACTED] in [REDACTED] office. The [REDACTED] looked like it had a [REDACTED]. [REDACTED] had an [REDACTED] said that [REDACTED] was always on the phone. [REDACTED] said that he mostly put deals together and really [REDACTED] said that [REDACTED] for [REDACTED] said that [REDACTED] the JBOH deal. [REDACTED] painted [REDACTED] as a problem. [REDACTED] said that [REDACTED] in JBOH caused a lot of problems. [REDACTED] said that the criminal investigation of JBOH was the result of Kott and [REDACTED] involvement in JBOH. [REDACTED] said that Kott was part of Turret Consultants who were paid by JBOH and that [REDACTED] owned JBOH. [REDACTED] said that [REDACTED] needed to be taken out and removed from JBOH.

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[REDACTED] said that he got the impression that [REDACTED] was talking to [REDACTED] and [REDACTED] stood in between attempts of [REDACTED] speaking with [REDACTED] acted as a liaison with [REDACTED]. [REDACTED] said that he had a relationship with [REDACTED] and [REDACTED] and he knew how to handle them. [REDACTED] said the he never met Irving Kott or talked with him.

[REDACTED] said that he first met [REDACTED] on the day the deal closed. That was either on [REDACTED]. The closing was held [REDACTED] in a law office. [REDACTED] tried to meet [REDACTED] the night before at [REDACTED] was set up by [REDACTED] by [REDACTED] thought it was unusual [REDACTED] said that he [REDACTED].

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wanted to talk with [REDACTED] added that it felt that [REDACTED] tried to keep him from meeting with [REDACTED] indicated that he tried to call [REDACTED] but his calls were not returned.

[REDACTED] said that he stayed at the same hotel as [REDACTED] and [REDACTED]. The next day, [REDACTED] met [REDACTED] at the hotel and he walked over to the closing. The people present at the closing were [REDACTED] and an individual who was an authorized notary. [REDACTED] did not recall if [REDACTED] was at the closing. [REDACTED] did not conduct negotiations with [REDACTED] recalled that at some point in the negotiations, [REDACTED] mentioned [REDACTED] name, indicated [REDACTED] was from Monaco and represented EBC Trust. [REDACTED] recalled [REDACTED] saying that EBC Trust invested in Legacy. [REDACTED] did not represent that [REDACTED] was associated with Kott. [REDACTED] said that [REDACTED] did not mention seeing [REDACTED].

[REDACTED] said that he never met [REDACTED]. He spoke with [REDACTED] in [REDACTED] [REDACTED] said that he received a [REDACTED] representing EBC Trust, over [REDACTED].

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[REDACTED] said that he asked and received an opinion letter for these shares. [REDACTED] called [REDACTED] and said that he wanted the [REDACTED]. The shares certificate was previously issued in the name of [REDACTED].

[REDACTED] said that his negotiations to acquire JBOH occurred from [REDACTED] negotiated with [REDACTED] and [REDACTED] represented JBOH's interests. The discussions [REDACTED] had with [REDACTED] dealt with the subordinated notes owned by [REDACTED]. The drafting of the documents for the deal were prepared by [REDACTED] and [REDACTED] also conducted due diligence during the period of the negotiations. The due diligence consisted of [REDACTED] visiting JBOH's offices in Beverly Hills, California, meeting with [REDACTED] touring the offices, and reviewing JBOH's balance sheet. [REDACTED] compared JBOH's financials with other companies balance sheets in the same business. In addition, [REDACTED] made some phone calls about [REDACTED] and flew up to [REDACTED] additionally, relied on JBOH's [REDACTED] to make sure the books were in order. Prior to the closing, Arthur and Andersen reviewed JBOH's financial statements. [REDACTED] also indicated that JBOH was operating under the scrutiny of regulatory agencies, such as the NASD, which gave further comfort that the books were accurate.

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[REDACTED] said that he discussed the investigation with [REDACTED] and [REDACTED] also received permission from [REDACTED] to discuss the investigation with JBOH's [REDACTED] and [REDACTED] called [REDACTED] and [REDACTED] and discovered the investigation concerned six stocks and learned there was an undisclosed principal problem. [REDACTED] pulled the price and volume history for these six stocks.

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[REDACTED] said that he was familiar with the 13D rules. [REDACTED] discussed the 12D filings with [REDACTED] from [REDACTED] familiar with Securities Law. [REDACTED] talked with [REDACTED] about Kott being an undisclosed principal of JBOC. [REDACTED] reviewed newspaper articles, specially a 12/96 Time Magazine article about Kott's involvement in JBOC. [REDACTED] also talked with [REDACTED] regarding Turret Consultants (Turret). [REDACTED] heard that Turret's agreement with JBOC was terminated after the FBI's search of JBOC's offices. After the search [REDACTED] was working in JBOC's [REDACTED] and [REDACTED] was working in JBOC's [REDACTED]

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[REDACTED] said that he found out through [REDACTED] and [REDACTED] that [REDACTED] with Kott. [REDACTED] said that during the negotiations he was told by [REDACTED] and [REDACTED] that Kott was no longer involved with JBOH.

[REDACTED] said that after [REDACTED] gained control of JBOH, they decided to [REDACTED] This meant [REDACTED] On [REDACTED] and [REDACTED]

[REDACTED] said that after the closing [REDACTED] told him that he believed [REDACTED] was calling [REDACTED] then met with [REDACTED] and instructed him not to talk with Irving Kott, [REDACTED] or any associate of Kott's. [REDACTED] was still concerned that [REDACTED] was talking with Kott. [REDACTED] subsequently sent out a memo that all executive lines were subject to being recorded. The memo made [REDACTED] go ballistic. [REDACTED] switched to a cellular phone for his calls to Kott. [REDACTED] discovered this after [REDACTED] submitted his cellular phone bill for reimbursement. The cellular bill showed [REDACTED] making calls to Irving Kott and [REDACTED]

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[REDACTED] said that he was told by [REDACTED] and [REDACTED] that the FBI suspected that JBOC was running a boiler room operation. Kott had previously operated other boiler rooms in the United States. When the FBI raided JBOC with 50 to 60 agents they

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were surprised at what they found. JBOC was running a discount brokerage firm. [REDACTED] and [REDACTED] told [REDACTED] that JBOC was a legitimate brokerage operation.

[REDACTED] said that through his due diligence he understood Kott's involvement in JBOC involved advertising. [REDACTED] understood Kott worked closely with advertising agencies and people at CNBC to get time slots for the JBOC advertisements. In addition, Kott raised money when JBOC needed capital to pay the judgement against JBOC in the Beachport Entertainment case. Kott also negotiated contracts with American Financial Services (AFS). AFS wrote software for JBOC's on-line trading. b6 b7C

[REDACTED] said that after closing he felt that Kott had relationships with some broker dealers that JBOC cleared for. [REDACTED] said that JBOC is still operating as a clearing firm. However, JBOC is staying away from brokerage firms that operate as boiler rooms. [REDACTED] reviewed a list of the correspondents that JBOC cleared for and had concerns with 1 or 2 of the correspondents. [REDACTED] was looking to terminate the contracts but had concerns with risk of retaliation. One of those brokerage firms was Biltmore. [REDACTED] had a pre-existing relationship with Biltmore and did not want JBOC to get rid of them. Biltmore got shutdown before JBOC had to make a decision whether or not to terminate them.

[REDACTED] said that at the time of the closing, JBOC had Hariston and Intasys stock in its inventory. After closing [REDACTED]

[REDACTED]

[REDACTED] said that he reviewed JBOH's 10Ks and 10Qs for payments to Kott. The financial statements were not showing payments. [REDACTED]

[REDACTED]

[REDACTED] said that he reviewed JBOH's proxy filings and 13-D filings to determine ownership and control of the company. JBOH's 10Ks and 10Qs showed that there were 14.9 million common shares

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outstanding and [REDACTED] also looked at the convertible debentures. [REDACTED] said that to obtain control of JBOH, [REDACTED] needed to buy the [REDACTED] either needed to buy the [REDACTED] ultimately obtained an [REDACTED] needed to get the board seats by agreement. [REDACTED] explained the existing board members would step down and the new owner would put in new members. [REDACTED] negotiated the agreement with [REDACTED] and [REDACTED]

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[REDACTED] said that he reviewed a JBOH shareholders list with [REDACTED]. The list did not show any other large shareholders other than [REDACTED]. [REDACTED] looked through the list for anybody that had a Canadian or overseas address. [REDACTED] said that at the time of closing he never heard of EBC Trust or Arabella.

[REDACTED] said that [REDACTED]

[REDACTED]

[REDACTED] said the members on the JBOH [REDACTED] at the time of closing were [REDACTED] and [REDACTED]

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[REDACTED] said that the parties to the purchase agreement were JBOH, [REDACTED] and [REDACTED]. Obtaining control of JBOH focused on obtaining board seats [REDACTED]

[REDACTED] said that the owner of the debentures had to be registered with the company. Transferring ownership in the debentures was disallowed except by presenting the original documentation to the company. The company then had to accept the debentures and then reissue it with the new owner. The company also maintained a list of who to pay. The debenture could not be assigned like a promissary note. The debenture documents were prepared by the [REDACTED] said that [REDACTED] had the original debenture documents. The debenture was registered in [REDACTED]

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JBOH's books under [REDACTED] presented the original debenture documents to [REDACTED] at the time of the closing. The signature on the debenture was notarized.

[REDACTED] said that at the time of the closing, the combined face value of the debenture was \$4 million. JBOH had paid down some of the note. The closing was pushed back to the middle of May 1998.

[REDACTED] said that during his initial call with [REDACTED] he told [REDACTED] that [REDACTED] was interested in getting into the deal, but wanted a control position. In about a weeks time, [REDACTED] called [REDACTED] and said he needed to see how his investors played out and he would see if he could make room for him. [REDACTED] then called [REDACTED] and said some of his investors dropped out. [REDACTED] added that if [REDACTED] wanted control, then they would have to put up half the money which [REDACTED] understood at that time that [REDACTED] group and [REDACTED] would each [REDACTED] [REDACTED] told [REDACTED]

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[REDACTED] said that [REDACTED] did not disclose the identity of his investor [REDACTED] represented that he [REDACTED] However, [REDACTED] was checking with [REDACTED] indicated it was not Kott. [REDACTED] said that the deal [REDACTED] was initially negotiating with JBOH was [REDACTED]

[REDACTED] said that the closing got pushed back to [REDACTED] At the closing, [REDACTED] There also [REDACTED] That occurred on [REDACTED] At that closing, [REDACTED] paid an additional [REDACTED] to JBOH. A newly issued [REDACTED]

[REDACTED] said that a week before the [REDACTED] called, and said that he thought he had the money but was a little short. [REDACTED] would not disclose how much he was short. On Thursday before the closing, which was the next Monday, [REDACTED] called and said [REDACTED]

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[REDACTED] also knew Kott really well. [REDACTED] For advertising fees by JBOC.

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Continuation of FD-302 of [REDACTED]

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[REDACTED] said that [REDACTED] on [REDACTED] and the [REDACTED] were part of the [REDACTED] or the debenture.

[REDACTED] said that the closing occurred on [REDACTED] At that time the purchase agreement was signed, resignation letter from [REDACTED] effective [REDACTED] and a new [REDACTED] The persons named to the board were [REDACTED] and [REDACTED] The appointments to the [REDACTED] there was an eight person board from [REDACTED] Also at the closing, [REDACTED] received the [REDACTED]

[REDACTED] This meant if [REDACTED]

[REDACTED] also acquired the debenture at closing. JBOH reissued [REDACTED] The purchase agreement and closing binder were [REDACTED]

[REDACTED] said at the time of the closing, [REDACTED] received a [REDACTED] This entitled [REDACTED] as part of the [REDACTED] also received a [REDACTED] from JBOH. Shortly after the closing, the new board voted to pay [REDACTED] and [REDACTED] for reimbursement of legal fees and costs associated with the closing.

[REDACTED] said that [REDACTED] was wired to [REDACTED] at the time of the closing. The money was wired from the [REDACTED]

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[REDACTED] also wired [REDACTED] In addition, [REDACTED] received a [REDACTED] JBOH issued two debentures to [REDACTED] in the amount of [REDACTED] was given to [REDACTED]

The [REDACTED] is being [REDACTED] as security for the [REDACTED] The terms of the note was interest payment only. The note was payable in [REDACTED]

[REDACTED] Upon payment, the debenture was released by the [REDACTED] said that [REDACTED] was ready to pay the note when it became due. [REDACTED] said he sent a letter to [REDACTED] and his [REDACTED] requesting they send the note to the [REDACTED] so [REDACTED] could pay the

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Continuation of FD-302 of [REDACTED]

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note. In [REDACTED] delivered the [REDACTED] to the escrow agent. The note was canceled and [REDACTED] paid [REDACTED] was to be wired to [REDACTED] pursuant to instructions. Another note by [REDACTED] was reissued to [REDACTED]. The new promissory is now due. [REDACTED] said that [REDACTED] is not going to pay the note until they receive it.

[REDACTED] said that the original [REDACTED] was payable to [REDACTED]. The language in the note said: [REDACTED]. In this case, it's [REDACTED] understanding that the note was not assignable because of how it was written. If the note had said: pay to the order of, then it would have been assignable. [REDACTED] said that there were no marks on the [REDACTED] note when [REDACTED] received it.

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[REDACTED] said that the June 8, 1998 closing was held at JBOH's office in Beverly Hills, California. The persons present at the closing were [REDACTED]. A new debenture was issued to [REDACTED] wired [REDACTED] to JBOH. [REDACTED] received the debenture and sent it to their office in [REDACTED]. The debenture had the same terms as the earlier ones. The debenture was convertible at [REDACTED].

[REDACTED] said that on June 8, 1998 the new board of directors held their first board meeting. At that meeting, the board voted to fire [REDACTED]. [REDACTED] asked the board if they could take more time in deciding whether to [REDACTED] and [REDACTED] also had clashes with the board over management. [REDACTED] didn't think the new management had experience to run JBOH, nevertheless voted to [REDACTED] and [REDACTED] firing. [REDACTED] however, [REDACTED] also was [REDACTED].

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[REDACTED] said because of [REDACTED] dissatisfaction with the board, [REDACTED] negotiated the [REDACTED]. [REDACTED] agreed to pay [REDACTED] the face value for the [REDACTED] was also paid [REDACTED] was paid in [REDACTED] just before the stock price rose. The JBOH stock price went up to \$4.00 per share. [REDACTED] prepared the documents for the [REDACTED] and was [REDACTED].

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Continuation of FD-302 of [redacted], On 07/01/1999, Page 11 b6 b7C

[redacted] who was a friend of [redacted] is a [redacted] businessman.

[redacted] said that since the closing [redacted] revealed that he

[redacted] said that [redacted] interfaced with [redacted] said he never dealt with [redacted] until the closing.

[redacted] said that there were a series of demand notes from JBOH to Oeri Finance. The total value of the notes were about \$2 million. [redacted] said that in September 1998, [redacted] called

[redacted] told [redacted] to pass the call onto [redacted] spoke with [redacted] claimed [redacted] He said the note was made out [redacted] faxed a copy of the note and assignment to [redacted] threatened [redacted] said that he called [redacted] and told him that [redacted] was [redacted] of the note.

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[redacted] said that [redacted] described [redacted] as a [redacted] said that he reported [redacted] request for payment on the note to AUSA [redacted] and SEC attorney [redacted]

[redacted] said that JBOH worked out an agreement with [redacted] where [redacted] said that he made [redacted] send JBOH the note, assignment and settlement agreement. [redacted] represented he had no interest in JBOH, had no other notes and would not acquire other notes. The money was probably wired to [redacted] said that he [redacted] The letter came from attorneys in Los Angeles.

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[redacted] said that JBOH issued a press release in October 1998 that they were not going to pay anymore demand notes until the resolution of the investigation. JBOH, however, continued to pay interest to Oeri Finance. The demand notes remain unpaid.

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Page 266 ~ Referral/Consult;
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[REDACTED] from
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- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/01/2003

[redacted] date of birth [redacted] was telephonically contacted at [redacted]. After being advised of the identity of the Investigating Agent and the nature of the interview, [redacted] provided the following information:

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[redacted] was the [redacted] of [redacted]. The company is [redacted] was caused by [redacted] that provided its financing being taken over by the FDIC in July 2002. [redacted] in [redacted]

[redacted] was taken public in [redacted]. The [redacted] that handled the initial public offering (IPO) was [redacted]. Each IPO unit had 2 shares and 2 warrants. The price of each share was \$3.50. There was no price attached to the warrants.

Prior to the IPO, [redacted] entered into a \$1 million bridge loan with multiple investors. The bridge loan was arranged by [redacted] mostly with [redacted] and his assistant (name unknown). [redacted] probably met [redacted] but didn't recall meeting [redacted] previously heard of [redacted]

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[redacted] did not interact with any of the investors in the bridge loan other than signing the loan documents.

[redacted] was a legitimate company. The company [redacted]
[redacted]
The company sold to the Fortune 1000 companies.

Investigation on 03/31/03 at Los Angeles, California (telephonically)File # 196C-LA-208098-302 Date dictated 04/01/03

by [redacted]

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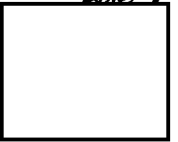
This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

91 [redacted] 1.03

196C-LA-208098-302-206

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RECEIVED
3-31-09

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/03/2003

[redacted] residing at [redacted]
 [redacted] date of birth [redacted] social security number [redacted]
 [redacted] home telephone number [redacted] cellular number [redacted]
 [redacted] was interviewed at the Los Angeles United States Attorney's Office. Present during the interview was Assistant United States Attorney (AUSA) [redacted] Central District of California. The interview was pursuant to a cooperation agreement [redacted] entered into with the United States Attorney's Office in the Eastern District of New York. Prior to the interview [redacted] contacted his attorney who gave permission to interview [redacted] without him being present. This was followed up in a letter from AUSA [redacted] to [redacted] attorney documenting the above.

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[redacted] provided the following information:

RMS was a holding company that owned 100% of Stratton Oakmont. [redacted] became [redacted] of RMS. The remaining owners were [redacted] and [redacted] who each [redacted] and some junior partners who owned about 2 to 3% each. [redacted] owned [redacted] on paper but was [redacted] of the profits.

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In March 1994 the Securities Exchange Commission (SEC) [redacted] and [redacted] from [redacted] behind the scenes. [redacted] participated through control over [redacted] During the last six months [redacted] was behind the scenes, he received [redacted] of the profits. Thereafter, [redacted] received [redacted] of the profits. [redacted] told [redacted] since [redacted]

Irving Kott came into the picture when Adler Coleman, clearing agent for Stratton Oakmont went bankrupt. At that time February/March 1995, [redacted] of RMS on paper. JB Oxford and Company, (JBOC) then became the clearing agent for Stratton Oakmont. The deal was negotiated between [redacted] and Kott. [redacted] told [redacted] that Kott was a huge player and that he controlled JBOC. [redacted] was the front man [redacted] of JBOC and [redacted] was the front man in control of [redacted]

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b7CInvestigation on 3/20/03 at Los Angeles, CaliforniaFile # 196C-LA-208098-302Date dictated 3/24/03

SA [redacted]

196C-LA-208098-302

Continuation of FD-302 of [REDACTED]

, On 3/20/03 , Page 2

JB Oxford Holding (JBOH) stock. Kott controlled JBOC and JBOH behind the scenes because of his past legal troubles in Canada. Kott had his money in overseas accounts and he [REDACTED]

Stratton Oakmont, did not have much choice in finding another clearing agent. There were not a lot of people looking to clear for Stratton Oakmont because of their regulatory problems.

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[REDACTED] and [REDACTED] started dealing with Kott once JBOC started clearing for Stratton Oakmont. [REDACTED] mostly dealt with Kott. [REDACTED] and [REDACTED] told Kott that [REDACTED] was [REDACTED]. It was also [REDACTED]

The relationship between JBOC and Stratton Oakmont started out as your basic clearing arrangement. Ultimately, Kott [REDACTED] of JBOH to [REDACTED] if [REDACTED] gave Kott [REDACTED]. Kott quickly realized that if he wanted to get control of things he had to go through [REDACTED]. During that period, [REDACTED] was desperate, drugged out and easy to manipulate. [REDACTED] started dealing personally with Kott.

[REDACTED] had [REDACTED] and uses that as a reference to recall his meetings with Kott. [REDACTED] moved to Los Angeles to [REDACTED]

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[REDACTED] recalled a major meeting with Kott, prior to his back surgery, possibly in the spring of 1995. The meeting was held at the [REDACTED]. The meeting was attended by [REDACTED] and Kott. During the meeting Kott tried to convince [REDACTED] to change the nature of his business from manipulating initial public offerings (IPO) to regulation S offerings. Kott's business strategy was to find public companies, get access to their stock cheap by creating sham regulation S transactions using overseas nominees and then selling huge blocks of shares using retail power. [REDACTED] explained that his business evolved from manipulating shell companies. He would obtain huge blocks of warrants and then inflate the stock price. [REDACTED] business then shifted to manipulating IPO's. Finally, [REDACTED] got involved with vertical integration. This involved buying a business, taking it public and then manipulating the price.

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Continuation of FD-302 of [REDACTED]

, On 3/20/03 , Page 3

[REDACTED] would let his investors catch a ride on the way up. This would entice them to buy more shares, eventually putting the shares in the hands of unsuspecting clients.

Kott's plan involved overseas accounts and printing as much stock as you wanted. The overseas accounts would go through [REDACTED] and [REDACTED] Kott insisted his plan was better. However, Kott needed excess to [REDACTED] retail brokers [REDACTED] considered [REDACTED]

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[REDACTED] recalled another major meeting with Kott after his back surgery. The meeting was held at [REDACTED]. The meeting was attended by [REDACTED] Kott, [REDACTED] and possibly [REDACTED] or [REDACTED]. The purpose of the meeting was for [REDACTED]. During the meeting, Kott pulled [REDACTED] aside with [REDACTED]. Kott said [REDACTED] knows that if I get hit by a car this is your [REDACTED] JBOH stock. Kott was referring to half of his (Kott's) JBOH stock [REDACTED]. The deal would allow Kott excess to [REDACTED] exchange for [REDACTED]. Kott believed he could build JBOC into a big discount brokerage firm and get JBOH stock up to \$10 to \$12 per share. Therefore, the main benefit of owning JBOH stock would be the ability to dump it.

Shortly after the [REDACTED] a big issue arose with Kott. Kott went behind [REDACTED] back and sold a big block of Smartel stock to Monroe Parker and Biltmore. At that time, [REDACTED] wanted [REDACTED]. They told [REDACTED] they couldn't handle his request because they just bought a big block of Smartel stock from Kott. [REDACTED] called Kott and asked him what he was doing. Kott offered to buy the block of Judicate shares, but he never did.

Kott benefitted from JBOC being the clearing agent for Stratton Oakmont. Stratton Oakmont allocated large blocks of IPO's they underwrote to nominees. Since Kott controlled JBOC he became one of their nominees and was allocated big blocks of Stratton Oakmont's IPO's. Kott used overseas nominee accounts for the IPO's. Kott also participated in bridge loans.

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[REDACTED] used the following methods to get back money from nominees: [REDACTED]

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Continuation of FD-302 of [REDACTED]

, On 3/20/03, Page 4

- Kickbacks:
- Buy the stock quickly enough so the nominee did not make a lot of money
- Make the nominee a lot of money then offset some of the profits with losing trades in their account.

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An additional method was proposed by Kott. Kott wanted to use overseas nominee accounts. Under this approach, you did not have to pay taxes because the IPO transaction was done through an overseas account. For example, Kott buys 100,000 units of an IPO using an overseas account at \$4. Stratton Oakmont then buys the shares back at \$8. The funds are then wired to an overseas account. Kott then kicks back two points of the profit without taxes being paid. Under this approach you got to keep more of the IPO profit.

If a domestic nominee was used in the above example, capital gains would have been generated, creating a tax liability. Kott's approach was the easiest way in kicking back money to Stratton Oakmont.

[REDACTED] recalled the names of Kott's overseas nominee accounts as EBC Trust and Oeri Finance. Kott told [REDACTED] that these were his overseas accounts he was using for the IPO's. Kott said he would [REDACTED] with them [REDACTED]

In June 1995, [REDACTED] behind the scenes. Kott knew that [REDACTED] even though [REDACTED] of RMS on paper. The IPO profits were split [REDACTED] The IPO's at Stratton Oakmont that Kott participated in through EBC Trust and Oeri Finance in which [REDACTED] was behind the scenes were Czech Industries, MVSI, Hemispherx, Paramount and N-Vision.

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[REDACTED] also got IPO profits from Monroe Parker and Biltmore. [REDACTED] when it first started operating. [REDACTED] controlled everything, including the trades. After six months of doing business, [REDACTED] of Monroe Parker, [REDACTED] and [REDACTED] wanted to do their own deals. They told [REDACTED] they did not need his input. We'll just give you a million dollars on each deal.

The IPO's at Monroe Parker that Kott participated in through EBC Trust and Oeri Finance in which [REDACTED] was behind the

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Continuation of FD-302 of [REDACTED]

, On 3/20/03, Page 5

scenes were MVSI, Hemispherx, Sonics and Materials and Big City Bagels.

The arrangement [REDACTED] had with Biltmore was similar to the control he had at Monroe Parker. [REDACTED] of Biltmore when they initially started business. He then [REDACTED] and then the principals of Biltmore, said [REDACTED]

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The IPO's at Biltmore that Kott participated in through EBC Trust and Oeri Finance in which [REDACTED] was behind the scenes were [REDACTED] explained that when he was acting behind the scenes at Stratton Oakmont, Monroe Parker and Biltmore, he was aware that Kott was getting a block of the IPO's.

The principals at Stratton Oakmont, Monroe Parker and Biltmore that handled Kott's IPO's were [REDACTED] and [REDACTED] respectively. [REDACTED] told [REDACTED] that he had to make Kott something in order to keep Kott off his back.

[REDACTED] did not think that [REDACTED] and [REDACTED] had secret deals with Kott to split the IPO profits like he had with [REDACTED] was aware that Kott had a secret deal with [REDACTED] to split the IPO profits, because [REDACTED] participated in the meetings with Kott and [REDACTED] in which the IPO's were discussed. The IPO deal Kott proposed to [REDACTED] and [REDACTED] was rejected by [REDACTED] and accepted by [REDACTED] believed that the IPO profits Kott made at Monroe Parker and Biltmore were being split with [REDACTED] or the profits were being kept solely by Kott.

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[REDACTED] described how the units of a typical IPO were distributed. The nominee received one half of a new issue. The other half was placed in the hands of real clients at Stratton Oakmont which were used as bait to get them to buy larger amounts in the aftermarket at higher prices. For example; in the pre-IPO market you sell a client 5000 units at \$4. You tell the client its going to \$12. The stock goes to \$10. In the post-IPO market, you get the client to buy an additional 10,000 shares at \$10. The shares going to the retail client are creating the ultimate buying power. You use that buying power to take out the nominees at higher prices, thus locking in a profit.

[REDACTED] recalled at [REDACTED] how [REDACTED] & Kott discussed their philosophies on doing business. Meaning,

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Continuation of FD-302 of [REDACTED]

, On 3/20/03 , Page 6

what's the best way to cheat people and not get caught. The discussion centered around the pros and cons of Kott's and [REDACTED] approaches, which were regulation S offerings and IPO's, respectively. Kott was aware how [REDACTED] and [REDACTED] manipulated the IPO's.

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[REDACTED] said that new issues could not go to discretionary accounts. In order to get around this [REDACTED] made mock calls for buy and sell orders. They had phone records to show regulators in case they checked.

[REDACTED] described a bridge loan as a way to create more cheap stock. However, an investment was required prior to the IPO. The bridge loan had some risk attached to it but you got more shares. There was no risk associated with an IPO that was manipulated.

A legitimate bridge loan was a debt instrument. Usually, a company, anticipating going public occurs expenses. It takes about six months for the company to go public. Investors would lend money to the company to cover those expenses. The loan was collateralized by the company stock. A bridge loan had higher interest rates. The loan must be repaid from proceeds of the public offering. Besides the higher interest rate, the bridge loan had another incentive in the form of a "kicker". This allowed the investor to get some amount of stock or warrants free for lending money to the company. The stock came with piggy back rights. The investor had the right to register the shares so their freely tradeable. Its usually done in a separate prospectus. The bridgeholder's shares had an underwriter's holdback period. The bridgeholder who loaned the money could not sell their shares without permission from the underwriter. The reason for this is due to the laws of supply and demand. By setting a time period for the shares, this gave a company a chance to grow and not to depress the price of the stock until the company was established in the trading market. The time period was usually from three to twenty four months.

There were ultimately two ways to get rid of the bridgeholder's stock. The first way was the holdback period was up and the investor could sell at anytime. The second way, which was during the holdback period was to get permission from the underwriter to sell the stock. An example of this happening would be if the IPO turned out good, the company was doing well and the underwriter wanted more shares. In this instance the underwriter

196C-LA-208098-302

Continuation of FD-302 of [REDACTED]

, On 3/20/03 , Page 7

would release the bridgeholder out of the holdback period and the bridgeholder would be allowed to sell their shares.

[REDACTED] described a "sham" bridge loan as a massive kicker of stock. The people that loaned the money were getting an interest rate return of about 12000%, instead of a normal one around 8%.

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The Paramount bridge loan was a sham. Kott loaned the company \$500,000 and received 375,000 units. The funds were loaned about five months prior to the IPO. [REDACTED] recalled the Paramount IPO because he still was [REDACTED]

[REDACTED] wanted to [REDACTED] said we'll split the profit". [REDACTED] said fine and allowed [REDACTED] to let Kott participate. [REDACTED] had a handshake agreement with Kott. For appearance sake there was a one year lock-up agreement but Kott was released from the holdback period on the first day of trading.

The [REDACTED] was [REDACTED]

The ultimate bridge loan sham was where the IPO company did not need the money but the bridgeholder got excess to cheap stock. Another scenario of a sham bridge loan was where the IPO company needed the money but the money was lent on extremely usury terms. This was delusive to the shareholders.

The sham underwriter lockup was done with a handshake. The underwriter lets the bridgeholder out of the lockup on the first day of trading.

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/15/2009

On January 15, 2009 Special Agent (SA) [redacted] charged out item 1B27, case # 318C-LA-208098 from the 9th floor vault at the Los Angeles Office of the FBI. The purpose of opening 1B27 K-PAC was to remove one item listed as [redacted] [redacted] will be returned to [redacted] Esq, McDermott Will & Emery, 2049 Century Park East, STE 3800, Los Angeles, California 90067 (310) 551-9397 on behalf of National Clearing Corporation (NCC) formerly JB Oxford & Company (JBOC) per the attached letter. [redacted] represents NCC. At the time of removal the following items remained: OTHER Sealed Per Sealing Order

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[initials]

The remaining items were resealed by SA's [redacted] and [redacted] and returned to the safe for storage.

Investigation on 01/15/09 at Los Angeles, CaliforniaFile # 318C-LA-208098 - 216 Date dictated 01/15/09

by [redacted]

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15 [redacted] 02.09



October 12, 2004

Special Agent [redacted]
Federal Bureau of Investigation
Suite 1700, FOB
1100 Wilshire Blvd.
Los Angeles, CA 90024-3672

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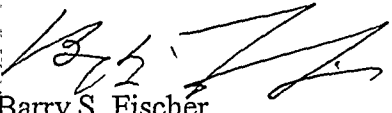
Re: [redacted]

Dear Agent [redacted]

OTHER Sealed Per Sealing Order

The purpose of this letter is to request the [redacted]
[redacted]

Very truly yours,


Barry S. Fischer
President and Chief Executive Officer
National Clearing Corp.
9665 Wilshire Blvd., Third Floor
Beverly Hills, CA 90212
Telephone: (310) 385-2115
Fax: (310) 385-2236

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b7C

cc [redacted]

Esquire

9665 Wilshire Blvd.
Third Floor
Beverly Hills, CA
90212

tel: 310.385.2450
fax: 310.385.2229

Member NASD

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

File # _____

On (date) 1/15/09

item(s) listed below were:

☐ Received From
☒ Returned To
☐ Released To
☐ Seized

☐ Received From
☒ Returned To
☐ Released To
☐ Seized

[Redacted] ESQ.
~~DEPT~~ McDERMOTT WILL EMORY ON
 [Redacted]
 (Name) PRESIDENT & CHIEF EXECUTIVE OFFICER
 (Street Address) NATIONAL CLEARING CORP. PREVIOUSLY KNOWN AS ~~DEPT~~ JBOC.
9665 WILSHIRE BLVD, THIRD FLOOR
 (City) BEVERLY HILLS, CA. 90212

OTHER Sealed Per Sealing Order

Description of Item(s):

Received

Received From:

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ERT

UNCLASSIFIED

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 03/19/2009

To: Los Angeles

Attn: [REDACTED]

Evidence Control Center
Asset Forfeiture
Legal

From: Los Angeles

Contact: [REDACTED]

Approved By: [REDACTED]

Drafted By: [REDACTED]

Case ID #: 318C-LA-208098-218

Title: Irving Kott, dba
JB Oxford & Company (JBOC);
JB Oxford Holdings, Inc. (JBOH);
Securities Fraud;

Synopsis: Request Asset Forfeiture initiate abandonment process
on evidence item 1B27 for captioned matter.

Enclosure(s): FBI Los Angeles Division Counsel, [REDACTED]
[REDACTED] letter dated 7/09/2004 to attorneys [REDACTED]
and [REDACTED] regarding evidence item 1B27.

OTHER Sealed Per Sealing Order

Details: Captioned matter has been adjudicated. Still in
evidence is item # 1B27, which are [REDACTED]

[REDACTED] During the
course of the investigation, a legal dispute arose over the
ownership [REDACTED] The dispute was between
JBOH who was represented by [REDACTED] of McDermott, Will &
Emery and [REDACTED] who was represented by [REDACTED]
[REDACTED] JBOH wanted [REDACTED] returned to them. since the

[REDACTED] represented that he owned [REDACTED]

In July 2004, [REDACTED] FBI Los Angeles
Division Counsel(DC) wrote a letter to both parties, advising
them that the matter might have to be litigated through an

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✓ 7 [REDACTED] 01.09

UNCLASSIFIED

To: Los Angeles From: Los Angeles
Re: 318C-LA-208098, 03/19/2009

interpleader action. DC [redacted] requested both parties to initiate legal proceedings in the Central District of California so that they could resolve this dispute properly.

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OTHER Sealed Per Sealing Order

As of today's date, writer has not been notified that the suggested legal action recommended by DC [redacted] was taken to resolve the dispute regarding ownership [redacted] Writer believes that [redacted]

Therefore, since the disputed parties had over four years to resolve this dispute and have done nothing, it is requested that the abandonment procedures be started for the following items of evidence:

OTHER Sealed Per Sealing Order

<u>Number</u>	<u>Acquired</u>	<u>Barcode</u>	<u>Description</u>
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Attached to the EC is DC [redacted] 07/09/2004 letter. Note - Intasys Corporation has changed its name twice since 2004. Initially Intasys' name was changed to MAMMA.com, Inc and then to Copernic, Inc. The company trades under the symbol, CNIC, and its stock price is approximately 15 cents.

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UNCLASSIFIED

UNCLASSIFIED

To: Los Angeles From: Los Angeles
Re: 318C-LA-208098, 03/19/2009

LEAD(s):

Set Lead 1: (Action)

LOS ANGELES

OTHER Sealed Per Sealing Order

AT ASSET Forfeiture

Initiate abandonment process on evidence item 1B27 for
above captioned case and initiate forfeiture action on [REDACTED]
[REDACTED]

Set Lead 2: (Action)

LOS ANGELES

AT EVIDENCE CONTROL CENTER

The Evidence Control Center should remove from evidence
and properly dispose of the [REDACTED] evidence item 1B27 that
are deemed worthless by Asset Forfeiture at the completion of the
abandonment process.

UNCLASSIFIED



U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No. 197-0

11000 Wilshire Boulevard

(310) 996-3335

July 9, 2004

[redacted] Attorney at Law
107 Avenida Miramar, Suite A
San Clemente, California 92672

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[redacted]
McDermott, Will & Emery
2049 Century Park East, Suite 3400
Los Angeles, California 90067

RE: [redacted]

Dear Messrs. [redacted]

OTHER Sealed Per Sealing Order

The FBI has been contacted by both of you regarding
the return of [redacted] which now translate into [redacted]
[redacted] The FBI properly took [redacted] pursuant to a search
warrant executed [redacted]

The FBI has no interest in maintaining this evidence
and is willing to return the property to its proper owner.
However, you both have claimed a right to [redacted] In
order to protect the FBI from liability, the property cannot
be returned until rightful ownership is determined. This is a
matter which may have to be litigated through an interpleader
action. You may wish to initiate legal proceedings in the
Central District of California so that we may resolve this
dispute properly.

If you have any questions, you may contact Associate
Division Counsel [redacted] at [redacted]

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Sincerely,

Richard T. Garcia
Assistant Director In Charge

Bv: [redacted]

Chief Division Counsel

Pending Collected Items for a Primary Investigator

ICMIPR12

Primary Investigator:

Page 2

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Collected Item Type: All

Category Type: 1B

(Pending Cases Excluded)

ase Number: 318C-LA-208098

Closed: 05/16/06

Cat/Num	Acquired	Type	Barcode	Anticipated Disposition and Date	Description
1B27	08/19/1997	V	E03883149		OTHER Sealed Per Sealing Order



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JB Oxford
Irving Kott
IPO STOCK MANIPULATION
EVIDENCE SUMMARY
SA [REDACTED] - FBI LA
[REDACTED]

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INTRODUCTION

- 1) Irving Kott: Canadian citizen. A notorious penny stock promoter and manipulator. Convicted of securities fraud in Canada in the 1970s and was the organizer of another, larger securities fraud scheme in the Netherlands in the 1980s that caused over \$200 million in losses to European investors. Kott indicted, but paid a monetary settlement to settle case.
- Kott secretly acquired ownership and/or control of J.B. Oxford Holdings (JBOH) parent company of J.B. Oxford & Company, (JBOC) a broker dealer in May/June 1993. At that time, Kott owned more than 5% of JBOH shares through nominee accounts.
- Kott, [REDACTED] owned 75% of the outstanding convertible debt of JBOH which amounted to \$4,850,000. \$1.5 million of the debt was converted to 150,000 convertible preferred shares. The shares were then converted to three million common shares. In April 1997, Kott was a majority shareholder of 53% of JBOH shares.
- Kott had a consulting agreement with JBOH, through Turret Consultants. Turret's services were to be provided through two employees, Irving Kott and [REDACTED]. Turret was paid \$20,000 a month.
- JBOH leased the former Beverly Hills mansion of Cary Grant for Kott at \$10,000 a month.
- Kott required the Eastern broker correspondents (Stratton Oakmont, Monroe Parker & Biltmore) to sell his penny stocks and participate in their IPOs for JBOC to clear their trades.

- 2) [REDACTED]
[REDACTED] worked with correspondents to arrange trades for Kott's penny stocks and IPO participation; received overseas commission payments.

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3)

[REDACTED]

[REDACTED]

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4)

[REDACTED]

5)

[REDACTED] Canadian citizen; long-time Kott
associate; Kott's [REDACTED]
[REDACTED]
regarding the \$3 million in IPO profits; duties generally
[REDACTED]

6)

[REDACTED] close Kott associate; [REDACTED]
[REDACTED] for Kott's nominee accounts at
Oeri Finance and EBC Trust; employee of Turret Consultants.

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7)

[REDACTED]

8)

[REDACTED] of
RMS, parent of Stratton Oakmont; had in-depth discussions
with Kott [REDACTED] interviewed telephonically
twice.

9)

[REDACTED]

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10)

[REDACTED]

11)

[REDACTED] of brokerage firm,
[REDACTED] also worked [REDACTED] dealt with
Kott in an [REDACTED] Kott wanted \$1
million for JBOC to clear the trades. Kott received over
\$500,000, interviewed telephonically.

The following schedules list IPOs participated in by Kott
through [REDACTED]

[REDACTED]
companies). The schedules reflect that:

- Kott participated in three of the IPO's listed in the
[REDACTED] which were [REDACTED]
[REDACTED]
- Kott participated in five of the IPO's listed in the
[REDACTED]

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Title: Irving Kott's 1993 Takeover of RKSI

I. Introduction

In early 1993, Kott obtained control of RKS and its parent company, RKSI. The evidence indicates, among other things, that he orchestrated a takeover of RKSI by: (1) structuring a private placement of RKSI; (2) obtaining large blocks of Synergy stock from [redacted] a [redacted] [redacted] (3) selling the blocks of Synergy through a Canadian brokerage account; and (4) thereafter, causing [redacted] his close associate, to transfer trading proceeds from the Canadian brokerage account to RKS to pay for his nominees' RKSI stock purchases. None of the parties to the takeover, including Kott, disclosed Kott's involvement in the transaction in filings with the Commission. As discussed below, after completing the takeover transaction, Kott took possession from his nominees of a large amount of their RKSI shares.

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II. Kott Orchestrated and Structured the RKSI Takeover

A. RKS Was In Poor Financial Condition

In early 1993, RKS was in poor financial condition. Its net capital had become impaired when RKS was forced to absorb \$6 million of microcap stock trading losses incurred by one of its correspondent firms. Without an immediate capital infusion, RKS would have to cease operations. [redacted] Transcript, pp. 30-35; [redacted] Transcript, pp. 10-11; [redacted] Transcript).

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To avoid having to shut down RKS, [redacted] the [redacted] of RKS, began searching for capital for RKS. He contacted Kott, a friend of a business associate, and asked Kott if Kott could help RKS raise additional capital. Kott agreed to help RKS and told [redacted] that he had "relationships" with third parties who may be interested in investing in RKSI. According to [redacted] Kott did not identify the third parties at that time or state that they would be his nominees. [redacted] Transcript, pp. 24-31).

B. Kott Formed an Investor Group to Acquire a Controlling Interest in RKSI.

Shortly thereafter, in Spring 1993, Kott formed an investor group to conduct a takeover of RKSI. [redacted] consisted of [redacted] were Kott's nominees. These three individuals were: (1) [redacted] with Twentieth Century Fox Studios; (2) [redacted] a [redacted] and [redacted]

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[redacted], Kott's [redacted]

[redacted] Kott negotiated the terms of the RKSI takeover with an other senior RKSI officers. They structured the takeover as a \$2 million private placement consisting of the sale of 1.6 million new RKSI shares at \$1.25 per share to the investor group. By purchasing these shares, the investor group would acquire control of 51% of RKSI's outstanding shares. (Kott Amex Travel Records IRVK0 001 1049-1064; RKSI 5/27/93 Schedule 13D SEC00 005 0699-0713; 6/10/93 DJNews Article JBNWS 001 0258; [redacted] Transcript, p.34).

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Kott also wanted the investor group to control the RKSI board of directors after the takeover. He told [redacted] that the investor group sought the resignations of RKSI's [redacted] and [redacted] [redacted] agreed to seek their resignations at the next RKSI board meeting.

[redacted] At the next RKSI board meeting, on May 18, 1993, [redacted] recommended to the board that it approve the takeover transaction. He told the board that RKS needed a capital infusion immediately to avoid being shut down. He also asked [redacted] and [redacted] to resign. [redacted] but [redacted] refused this request. [redacted] As no other financing for the RKS/RKSI was available, the RKSI board (with [redacted] and [redacted]) approved the takeover transaction.

The board approved the takeover with knowledge of Kott's prior criminal record and securities law violations. At the May 18, 1993 RKSI board meeting, [redacted] RKSI's general counsel, provided to the board members a LEXIS printout containing news articles about Kott's past activities. In response to questions from directors about the LEXIS printout, Kott told the board that, after the takeover, he would not have any further involvement with RKS/RKSI (except as a consultant to RKS). Kott did not answer [redacted] questions about the sources of funds for the takeover.

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¹ The other investor group members were: [redacted]

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[redacted] doubted Kott's statement about not having further involvement with RKS/RKSI because [redacted] had become suspicious of Kott and had told [redacted] that Kott represented the new "control" of RKS.

C. Kott Admitted That He Would Finance the Takeover

At least several days later, in May 1993, Kott while at RKS' Beverly Hills headquarters office, telephoned [redacted] at his home in the Minneapolis area. During the call, [redacted] again questioned Kott about the takeover. The questions caused Kott to become very angry. In fact, rather than answer [redacted] questions, Kott threatened to pull "his money" out of the upcoming RKSI private placement takeover transaction if [redacted] did not resign. [redacted] told Kott that he would not resign from the RKSI board.

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Later in May 1993, Kott made a similar statement to [redacted] about Kott's plan to provide funds for the takeover. After Kott brought the investor group to RKSI, [redacted] learned that Kott, with the apparent cooperation of other RKS/RKSI senior managers, intended to install [redacted] and another unlicensed individual as part of RKS' management team. RKS' chief operating officer resigned because [redacted] and the other individual refused to report to him. [redacted] questioned Kott about this situation and was told that Kott did not care about regulatory requirements, including the need to have licensed individuals as managers at RKS. Kott further stated that all he cared about was money and that Kott, due to the fact that "he" could do anything he wanted to do at RKS.

III. Kott Obtained Large Blocks Of Synergy Stock From A European Stock Promoter

In April/May 1993, while RKSI's senior management and board reviewed Kott's proposed takeover transaction, Kott acquired large blocks of Synergy Renewable Resources, Inc. ("Synergy") stock. At that time, Synergy was an inactive Canadian company that was trying to enter the environmental cleanup business. Kott acquired the Synergy stock from [redacted] as collateral for a loan that Kott made to [redacted]. As discussed later in this memorandum, Kott sold the stock through a Canadian brokerage account to raise funds for his nominees's purchases of RKSI stock in the takeover private placement.

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A. Kott Met [redacted]

In [redacted] Kott was introduced to [redacted]. At that time, [redacted] almost [redacted] Synergy shares [redacted] and was Synergy's [redacted]. According to [redacted] and Kott discussed [redacted] to finance [redacted]. At that time, [redacted] was thinly traded on NASDAQ which made it very difficult for [redacted] to sell shares. Nevertheless, [redacted] sought Kott's help to sell his Synergy shares.

B [redacted] Kent Blocks of Synergy Stock in [redacted]

[redacted] held his Synergy shares through various family trusts and Channel Islands entities. [redacted] of [redacted] was [redacted] who maintained [redacted] Synergy shares for [redacted] In early 1993, [redacted] resigned his [redacted]

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When [redacted] he asked [redacted] to take possession of the [redacted] Synergy shares until [redacted] found a new [redacted] request and placed the shares in [redacted]

C. Kott Obtained [redacted] Synergy Shares as Collateral For a Loan

In March 1993, rather than helping [redacted] to sell his Synergy shares to raise money, Kott loaned [redacted] to [redacted] At that time, [redacted] and used the loan from Kott to pay off that debt. As discussed below, Kott obtained blocks of [redacted] Synergy shares as collateral for the loan by having [redacted] deliver the shares from [redacted] to Kott's close associates, [redacted] and [redacted]

To arrange for the transfer of Synergy stock from [redacted] Kott and [redacted] telephoned [redacted] at his [redacted] They asked [redacted] to confirm that he held [redacted] along with [redacted] Synergy shares that belonged to [redacted] confirmed this fact. During the telephone call, [redacted] asked [redacted] to deliver the [redacted] Synergy shares to Kott for "safekeeping". [redacted] however, refused to comply with this request and explained that he did not have the authority to transfer shares. Accordingly to [redacted] only the [redacted] (who had not yet been appointed to replace [redacted] had such authority.

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To convince [redacted] to release [redacted] Synergy shares to Kott, on approximately March 29, 1993 and April 27, 1993, [redacted] a [redacted] sent letters to [redacted] informing [redacted] that [redacted] was the [redacted] and that [redacted] should deliver Synergy shares in accordance with [redacted] instructions that he would receive from [redacted] confirmed with [redacted] that [redacted] was the [redacted]

[redacted] testified that, in late April 1993 after receiving [redacted] letters, [redacted] telephoned his [redacted] and instructed him to turn over [redacted] Synergy shares to [redacted] who is [redacted] Telephone records confirm that [redacted] called [redacted] 11 times in the last two weeks of the month. Thereafter, on April 30, 1993, [redacted] came to [redacted] and picked up the shares. [redacted] signed a receipt for the shares.

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Approximately one month later, in early June 1993, [redacted] again contacted [redacted]. In a telephone conversation, she instructed [redacted] to deliver [redacted] Synergy shares to her when she visited his [redacted] later that month. Two weeks later, on June 15, 1993, [redacted] (and [redacted]) came to [redacted] and picked up the [redacted] Synergy shares. [redacted] signed a receipt for the shares.

Six months later, on May 1, 1995, [redacted] sued, among others, Kott, [redacted] and Oeri Finance in California state court. The complaint alleged, among other things, that Kott had stolen [redacted] Synergy shares. [redacted] told the staff that he spoke [redacted] telephone with Kott and [redacted] and met several times with them at RKS Beverly Hills, California office to discuss settling the lawsuit. Telephone records confirm frequent conversations between [redacted] Kott and [redacted] in Summer 1995. According to [redacted] during the settlement discussions, Kott admitted that he had retained possession of [redacted] Synergy shares. To settle the lawsuit, Kott offered to sell some of his Synergy shares and give to [redacted] the trading proceeds. [redacted] agreed to this arrangement and shortly thereafter dismissed the lawsuit.

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Pursuant to a June 25, 1995 settlement agreement, the parties opened the "ConWestern Trust Account" at Oeri Finance in Switzerland and Kott agreed to deposit 1,475,000 Synergy shares into the account for sale through RKS and other broker-dealers. Kott had obtained the Synergy shares in two Synergy private placement transactions. According to [redacted] Kott sold few shares through the account so the settlement agreement was terminated.

³In late 1994, [redacted] asked Kott to return [redacted] Synergy shares to [redacted]. Kott refused to comply with this request. In fact, Kott told [redacted] and [redacted] that Kott, rather than [redacted] rightfully owned the Synergy shares because Kott held them as collateral for the \$3.75 million loan that he had made to [redacted]. Thereafter, in December 1994, [redacted] Kott's [redacted] sent a two-page handwritten letter to [redacted] (which [redacted] forwarded to [redacted] and [redacted] setting forth facts supporting Kott's ownership claim. [redacted] attached to the handwritten letter copies of account statements from Merit, a Toronto broker-dealer, for PYA Investments, Ltd. and Oeri Finance, Inc. ("Oeri Finance"), two foreign entities associated with Kott. Trading records show that, in late July 1993, the PYA Investments, Ltd. account transferred 12,246,394 Synergy shares to the Oeri Finance account. These shares were part of [redacted] block of Synergy shares. According to [redacted] was not satisfied with Kott's explanation for his claim of ownership of [redacted] Synergy shares.

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[redacted] As discussed below, at Kott's apparent direction, [redacted] deposited a large amount of [redacted] Synergy shares into the Merit Investment Corp. ("Merit") brokerage account of PYA Investments, Ltd., a Cayman Islands entity.

IV. Kott Sold Large Blocks of Synergy Stock Through the PYA Investments, Ltd. Account at Merit

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A. Kott and [redacted] Controlled PYA Investments, Ltd.

On April 19, 1993, around the time that [redacted] was arranging with [redacted] to turn over to [redacted] some of [redacted] Synergy shares. PYA Investments, Ltd. ("PYA"), a Cayman Islands shell entity, opened a brokerage account at Merit in Toronto, Ontario. According to the PYA new account form, [redacted] had sole authority to trade the account.

The evidence suggests, however, that Kott also had authority over the PYA brokerage account. Kott likely exercised this authority by directing [redacted] the Merit registered representative for the PYA account, to trade and transfer funds. Telephone records show that, during 1993 through 1997, Kott called her office at Merit almost 1200 times from his Beverly Hills mansion. [redacted] testified that she was a [redacted] of Kott and had spoken to him often by telephone from her Merit office. [redacted] however, unconvincingly testified that she could not recall ever having received trading instructions or wire transfer instructions from Kott (or [redacted] for the PYA account.

The evidence further suggests that [redacted] had authority over the PYA brokerage account. [redacted] likely exercised this authority by directing [redacted] to trade and transfer funds. Telephone records show that [redacted] while at her [redacted] called [redacted] at his office in the Cayman Islands on numerous occasions, including twice in mid-April 1993 before PYA opened its Merit brokerage account.⁴ Moreover, as discussed below, in late June 1993, Merit trading records show that [redacted] directed [redacted] to send funds by wire transfer from the PYA account to a California bank account set up by [redacted] to collect money for Kott's nominees' purchases of RKSI stock in the takeover transaction.

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B. Kott Sold Large Blocks of Synergy Stock to, Among Others, RKS Inventory Accounts

⁴ As [redacted] was [redacted] she apparently kept track of trades and money transfers for Kott. Thus, it makes sense that she, rather than Kott, would have dealt with [redacted] to avoiding providing a direct link between Kott and PYA.

Shortly after PYA opened its brokerage account at Merit, between April 22, 1993 and June 14, 1993, [redacted] deposited a total of [redacted] Synergy shares into the account. As shown on the chart below, the shares included [redacted] shares that [redacted] had turned over previously to [redacted] and [redacted] plus [redacted] additional [redacted] shares.⁵ [Get details from [redacted]] As discussed below, rather than hold the [redacted] shares in the PYA account as collateral for [redacted] debt, PYA, for Kott, sold [redacted] Synergy shares for \$1,985,794. Kott would use most of the trading proceeds to pay for Kott's nominees' purchases of RKSI stock in the pending takeover transaction.

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1. PYA's Sales of Synergy Shares From April 20-26, 1993

From April 20-26m 1993, PYA, for Kott, sold 1,488,733 Synergy shares belonging to [redacted] for \$533,577.05 through the Merit account⁶. In fact, trading records show that PYA, on April 23, 1993, sold 1,305,733 Synergy shares to the Merit account of Nealmac Financial Consultants, Inc., a Canadian entity controlled by a Kott associate. From April 20-26, 1993, PYA sold the other 183,000 Synergy shares to one of its retail customers (15,000 shares) and Wall Street Equities, Inc., a New York broker-dealer (168,000 shares).

[redacted] likely caused PYA to sell the Synergy shares. Telephone records show that on April 19, 1993, she called [redacted] at [redacted] [Add Merit Telephone Records and [redacted] Information].

Thereafter, on May 11, 1993, PYA sent by wire transfer \$450,000 of trading proceeds to its account at the Cayman Islands subsidiary of the Canadian Imperial Bank of Commerce ("CIBC"). As discussed below, these funds would partially finance Kott's nominees' purchases of RKSI stock in the takeover transaction.

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2. PYA's Sales of Synergy Shares on May 17-18, 1993

⁵ On July 6, 1993 shortly after Kott completed his secret takeover of RKSI, [redacted] deposited [redacted] Synergy shares into the Platino Trading Establishment Account at Merit. That same day, the Platino account transferred 2,000,000 Synergy shares to the PYA account at Merit. Thereafter, on July 28, 1993, [redacted] deposited [redacted] additional Synergy shares belonging to [redacted] into the PYA account at Merit.

⁶ From April 22-28, 1993, the PYA account received [redacted] additional Synergy shares from [redacted] [Confirm with [redacted]]

On May 17-18, 1993, PYA, for Kott, sold [redacted] Synergy shares belonging to [redacted] for \$923,353.80 through the Merit account.⁷ PYA sold 1,180,000 of these shares to an RKS Inventory account. In fact, Merit trading records and RKS inventory records show that, on May 17, 1993, PYA sold 180,000 Synergy shares to the RKS #152 Inventory account.⁸ The records also show that, on May 18, 1993, PYA sold 750,000 Synergy shares to the RKS #152 Inventory account and sold 250,000 shares to the RKS Mountain Financial Inventory Account. By having PYA sell these Synergy shares to RKS, Kott was able to use RKS to help finance the RKSI takeover. Additionally, PYA, on May 18, 1993, sold 156,140 Synergy shares to Wall Street Equities, Inc., 200,000 Synergy shares to North American Institutional Brokers, Inc.,⁹ and 730,000 Synergy shares to several Kott associates.¹⁰ [Add [redacted]]

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⁷ The following day, May 19, 1993, the PYA account received 2,500,000 Synergy shares from the Turret Consultants, Inc. ("Turret") account at Merit. [redacted] had deposited these shares, along with 2,500,000 additional [redacted] shares, into Turret's account earlier in the day. The shares were part of the [redacted] shares that [redacted] on April 30, 1993, had delivered to [redacted]. Prior to this delivery of shares into the PYA account, PYA was short 1,269,140 Synergy shares in its account.

⁸ On May 17-18, 1993, PYA sold 65,000 additional Synergy shares to two of its retail customers.

⁹ [redacted] the [redacted] unconvincing [redacted] that he did not purchase the Synergy stock from Merit at Kott's request or at the request of his [redacted] who is a close Kott associate. Instead, [redacted] stated that he traded Synergy stock solely in response to orders that he received from other broker-dealers, including Merit. [redacted] recalled that he received numerous orders for the stock from [redacted] the Merit [redacted] who is another [redacted] [redacted] & that [redacted] was [redacted]

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¹⁰ More specifically, trading records show that PYA, on May 18, 1993, sold the 730,000 Synergy shares to [redacted] (250,000 shares) members of the [redacted] family (460,000 shares), and [redacted] (20,000 shares). [redacted] purchased his 250,000 for \$101,250 even though he did not have any assets in his Merit account. Three weeks later, on June 3, 1993, [redacted] sent by wire transfer \$100,000 to his Merit account from his bank account at Mercantile National Bank in Los Angeles. [redacted] and [redacted] members of the [redacted] family, purchased RKSI shares in the RKSI takeover transaction. [redacted] was Kott's [redacted] and [redacted]

Kott and [] likely ordered the sales of the shares. Telephone records show that Kott called [] at her Montreal home on May 16, 1993. The records further show that [] called [] once on May 13, 1993, and five times on May 18, 1993. [Add Merit Telephone Records and Cayman Islands Information].

Thereafter, on June 2, 1993, PYA sent by wire transfer \$730,000 of trading proceeds to its CIBC account. These funds, like those generated from PYA's April 1993 Synergy stock sales, would partially fund Kott's nominees' purchases of RKSI stock in the takeover transaction.

3. PYA's Sales of Synergy Shares From June 10-16, 1993

From June 8-16, 1993, PYA, for Kott, sold a total of 1,185,000 Synergy shares belonging to [] for \$528,862.50 through the Merit account.¹¹ PYA sold these shares to an RKS inventory account and to the Merit account of Turret Consultants, Inc. ("Turret"), an entity associated with Kott. In fact, Merit trading records and RKS inventory records show that, on June 8, 1993, PYA sold 1,000,000 Synergy shares to RKS #162 Inventory account. Thereafter, on June 16, 1993, PYA sold 185,000 Synergy shares to the Turret account at Merit.¹² By having PYA sell most of these Synergy shares to RKS, Kott again was able to use RKS to help finance the RKSI takeover. [Add []

Kott likely ordered the sales of Synergy shares. Telephone records show that, on June 16, 1993, Kott called [] office at Merit from his Beverly Hills mansion. [Add Merit Telephone Records and Cayman Islands Information].

Thereafter, on June 24, 1993, PYA, at [] direction, sent by wire transfer \$85,000 of trading proceeds to a California bank account set up by [] to collect money for []

¹¹ On June 14, 1993, the PYA account at Merit purchased 700,000 Synergy shares for \$130,000 (less than 1/2 market price) from [] trust account at Georgia Pacific Securities, Inc. in Vancouver, British Columbia. [] testified that he had held the shares for [] and had sold them at [] direction to raise funds to pay off a [] debt in Europe. The staff, however, has located a handwritten note from [] to [] wherein [] at Kott's direction, instructed [] to deliver 700,000 Synergy shares to Merit. [Follow-up with [] and []

¹² Trading records show that, over the next three months, Turret resold the 185,000 Synergy shares to several Merit retail customers (66,000 shares), Alfred Securities, Inc., a New York City broker-dealer that participated in Kott's market manipulation schemes (37,000 shares), and RKS Inventory accounts (82,000 shares).

Kott's nominees' purchases of RKSI stock in the takeover transaction. [] used the funds to purchase shares for [] in the RKSI takeover.

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V. Kott Secretly Provided Funds for His Nominees' RKSI Stock Purchases in the Takeover

From approximately May 27, 1993, through June 24, 1993, while Kott was selling Synergy stock through the PYA brokerage account, the seven investor group members, including Kott's three nominees, purchased 1.6 million RKSI shares for a total of \$2 million in a private placement to complete their takeover of RKSI. As described in the discussion and chart below, Kott used funds from PYA's sales of Synergy shares to pay for most of his nominees' RKSI shares.

A. Kott Financed [] Purchase of 480,000 RKSI Shares

On May 27, 1993, according to [] initial Schedule 13D filing, [] and RKSI entered into an agreement wherein [] agreed to purchase a total of 480,000 RKSI shares for \$600,000 (at \$1.25 per share) in the takeover private placement. That same day, [] purchased 153,500 RKSI shares for \$191,875, and on June 8, 1993, he purchased the remaining 326,500 shares for \$408,125.

[] Kott, not [] provided the funds to purchase [] shares in the takeover private placement. Bank records show that, on May 11, 1993¹³ and June 2, 1993, PYA sent by wire transfers \$450,000 and \$730,000 from its Merit account to PYA's CIBC account. The wire transfers represented trading proceeds from Kott's sales of Synergy stock during April 1993 and May 1993. Thereafter, on May 21, 1993¹⁴ and June 4, 1993¹⁵, respectively, the PYA CIBC account forwarded by wire transfers \$440,000 to [] trust account and \$360,000 to a bank account (the "Collection Account") that [] had set up to collect funds to finance the takeover. Subsequently, on May 27-28, 1993, [] transferred a total of \$240,000 from his law

¹³ Telephone records show that Kott called [] office at Merit twice on May 10, 1993, and five times on May 11, 1993.

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¹⁴ Telephone records show that, on May 20, 1993, [] called [] at his [] The staff suspects that [] made this call to direct [] to send funds by wire transfer on May 21, 1993 to a Collection Account.

¹⁵ Telephone records show that, on June 4, 1993, Kott called [] (i.e., []).

firm's trust account to [redacted] Collection Account ¹⁶. Thus, by June 4, 1993, the Collection Account held \$600,000 for [redacted] RKSI stock purchase. [redacted] transferred \$599,966 from his Collection Account to [redacted] to purchase his 480,000 RKSI shares ¹⁷. [Confirm that [redacted] handled the wires].

B. Kott Financed [redacted] Purchase of 332,000 RKSI Shares

[redacted] Between June 11, 1993 and June 28, 1993, according to amended SCH 13D filings, [redacted] and RKSI entered into agreements wherein [redacted] agreed to purchase a total of 332,000 RKSI shares for \$415,000 (at \$1.25 per share) in the takeover private placement ¹⁸. On June 11, 1993, [redacted] purchased 300,000 RKSI shares for \$375,000 and on June 28, 1993 [redacted] purchased the remaining 32,000 shares for \$40,000 ¹⁹ (6/11/93 Amendment #2 to RKSI SCH 13D SEC 00 005 0905 - 1075; 6/28/93 Amendment #3 to RKSI SCH 13D SEC 00 005 1211 - 1383).

[redacted] Kott not [redacted] provided funds to purchase [redacted] RKSI shares. Bank records show that on June 9, 1993 PYA sent by W/T \$290,000 from its CIBC and to the [redacted] collection account two days later on June 11, 1993 [redacted] directed a Hariston Corp. subsidiary to send by W/T \$100,000 to his collection account. Thereafter, on June 24, 1993 [redacted] two days after receiving fax instruction from [redacted] sent by wire transfer \$85,000 from PYA's Merit account to [redacted] collection account ²⁰. Thus, the [redacted] collection account held \$475,000. The W/T's sent to [redacted] collection account from CIBC represented trading proceeds from Kott's sales of Synergy stock during May 1993 and June 1993. Between June 11, 1993 and June 28, 1993, [redacted] transferred \$415,000 from his collection

¹⁶ Telephone records show that, on May 26, 1993, Kott (from Switzerland) called Shea & Gould.

¹⁷ After sending the \$599,966 to RKSI, [redacted] still owed \$34 to RKSI for his takeover shares.

¹⁸ The seven investor group members including [redacted] and [redacted] jointly filed several SCH 13D during 1993 and early 1994 concerning the RKSI takeover transaction.

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¹⁹ Telephone records show that Kott called [redacted] twice on June 4, 1993 and once on June 20, 1993 (Kott Canadian telephone records database).

²⁰ Telephone records show that on June 22, 1993 (the days that [redacted] sent the faxed W/T instruction to [redacted] at Merit, Kott, from Switzerland, twice called [redacted] office at Merit. Kott also called Merit once on June 23, 1993, and twice on June 24, 1993 (the days that Merit sent the \$85,000 W/T; Kott Canadian telephone records database).

account to RKSI to purchase 322,000 RKSI shares for [redacted] (6/10/93 [redacted] BOFA A/S BOFAO 0030021; W/T documents BOFAO 0030009; 7/12/93 [redacted] BOFA A/S BOFAO 003 0022 and 0034-0035; Debit memos BOFAO 003 0047 and 0051-0053 and 0080 and 0082. Wire transfer documents BOFAO 003 0014 and 0042-0044; Hariston accounting records HRSNF 010 1165; fax from [redacted] and [redacted] at RKS to [redacted] at CCFM HRSNF 010 1166; 6/93 Shea and Gould A/S at Chases PYA 6/93 A/S Merit 003 0638; 6/22/93 fax from [redacted] to [redacted] Merit 002 0064).

C. Kott Financed [redacted] Purchases of 68,000 RKSI Shares

On June 28, 1993, according to a further amendment to [redacted] SCH 13D filing, [redacted] and RKSI entered into an agreement wherein [redacted] agreed to purchase 68,000 RKSI shares at \$1.25 per share in the takeover private placement. That same day, [redacted] who was Kott's [redacted] purchased the shares for \$85,000 (6/25/93 Amendment #3 to RKSI SCH 13D SEC 00 005 1211 - 1383).

Kott, not [redacted] provided funds to purchase [redacted] RKSI shares. Trading records and bank records show that on 6/21/93, [redacted] collection account, which had a balance of \$60,034 received by W/T \$25,000 from the Shea and Gould trust account. After receiving this W/T, the [redacted] collection account had a balance of \$85,034 (excluding funds held to purchase [redacted] shares)²¹. On June 24, 1993, [redacted] transferred these funds from his collection account to RKSI to pay for [redacted] RKSI shares in the takeover transaction²². (6/93 Shea and Gould A/S at CMB; 7/12/93 [redacted] BOFA A/S BOFAO 003 002 AND 0034-0035; W/T documents BOFAO 003 0053 AND 0082; PYA 6/93 A/S Merit 003 0638; 6/22/93 fax from [redacted] to [redacted] Merit 002 0064.)

VI. RKS, RKSI, JBOH and [redacted] Misrepresented and Kott Omitted to Disclose Kott's Participation in the Takeover Transaction

A. RKSI filed false reports with the SEC concerning the takeover and Kott failed to file a SCH 13D.

1. The false RKSI 8-K.

On July 6, 1993, RKSI filed a Form 8-K with the SEC announcing the takeover. In the Form 8-K RKSI falsely stated that all of the investor group members had used "personal funds"

²¹ From June 17-28, 1993, Kott called Shea and Gould four times (Kott Canadian telephone records database).

²² The extra \$34 (\$85,034-\$85,000) covered the amount that [redacted] still owed RKSI for his takeover shares.

to acquire their RKSI shares ²³ 7/6/93 RKSI Form 8-K SEC 00 005 0552).

[redacted] testified that he prepared [redacted] while drafting the [redacted] and [redacted] telephoned, among others, [redacted] and [redacted] and inquired about the sources of funds for their RKSI stock purchases. [redacted] told them that he needed the information for a [redacted]. Each replied that he had used personal funds. Those statements were false because Kott had financed their RKSI stock purchases and they were holding RKSI stock for KOTT. [redacted] testified that he did not know that Kott's three nominees had lied to him about their funding sources when he prepared the [redacted] transcript pp. 123-125.)

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2. False RKSI/JBOH Proxy Statement and Form 10-K

RKSI filed other false reports with the SEC concerning the takeover transaction. In proxy statements dated 6/28/93 and 8/27/93, RKSI represented that the investor group members, rather than Kott, were large RKSI shareholders. Thereafter, on [redacted], RKSI filed its 1993 Form 10-K that incorporated by reference information that RKSI included in its 7/18/94 proxy statement concerning its largest shareholder. The 7/18/94 proxy statement listed investor group members but not Kott, as the large RKSI shareholders. As Kott financed much of the takeover and used nominees to hold stock for him the filings were false. [redacted] signed RKSI 1993 Form 10-K but did not sign any of the proxy statements. Kott did not file any reports with the SEC to disclose his participation in the RKSI takeover. (6/28/93 RKSI proxy statement SEC 00 005 0558-0572; 8/27/93 RKSI proxy statement JBOHO 004 1831-1847; 12/31/93 RKSI Form 10-K SEC 00 010 0013-0182; 7/18/94 RKSI proxy statement JBOHO 004 1821-1830.)

B. [redacted] Filed False Schedule 13D With the Commission

[redacted] filed three false SCH 13D with the SEC concerning his involvement in the takeover transaction. On May 27, 1993 and June 11, 1993, [redacted] signed an filed SCH 13D

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²³ In conjunction with the takeover transaction, Kott's nominees became members of the RKSI board of directors on June 10, 1993 and June 11, 1993 the RKSI board met at RKS Beverly Hills HQ's office. During the meeting, [redacted] and [redacted] were appointed RKSI directors to serve until the RKS shareholders meeting in late August 1993. Subsequently, on August 27, 1993, Kott's nominees as RKSI largest shareholder, installed themselves as members of RKSI's board [redacted] became [redacted] Kott did not become a director (6/10/93 RKSI board resolution BD0 00 006 0234; 6/11/93 RKSI board minutes JDOHO 011 0561-0573; 8/27/93 RKSI board minutes; 6/28/93 RKSI proxy statement SEC 00 005 0558-0572; 8/27/93 RKSI proxy statement JBOHO 004 1831-1843).

stating that he had purchased a total of 480,000 RKSI shares in the takeover transaction using "personal funds" and that he was not part of an affiliated "group" of shareholders for Section 13D purposes²⁴. In a January 18, 1994 SCH 13D, [] again stated that he had used personal funds to acquire his RKSI shares. Before filing the 6/11/93 SCH 13D, [] received a memorandum from [] New York City law firm advising him that he must disclose in the SCH 13D any loans that he had received to purchase his shares. [] failed to follow this advice and made false statements in his SCH 13D because he had used funds received from Kott through PYA to purchase 480,000 RKSI shares and he held the RKSI shares for Kott. (6/10/93 memo from Shea and Gould attorney USK30 004 1368; 5/27/93 RKSI SCH 13D SEC 00 005 0699-0713; 6/11/93 Amendment #1 to SCH 13D SEC 00 005 1077-1094; 1/18/94 Various Schedule 13Ds SEC 00 005 1136-1153 and 1127-1135 and 1163-1170 and 1109-1117 and 1154-1167 and 0005-0504.)

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[] also made false statements in SCH 13D concerning [] and [] involvement in the takeover transaction. In Amendments to [] 13D dated 6/11/93 and 6/28/93, [] stated that [] and [] had used personal funds to acquire their shares and that they were not part of an affiliated group of shareholders for Section 13(d) purposes. [] statements were false because Kott had financed [] and [] RKSI stock purchases and Kott owned their RKSI shares. [] knew that the statements about [] and [] in the SCH 13Ds were false because he had set up the senior collection account and knew the sources of funds that [] and [] had used to purchase their RKSI shares (6/11/93 Amendment #2 to SCH 13D SEC 00 005 0905-1075; 6/28/93 Amendment #3 to SCH 13D, SEC 00 005-1211-1383).

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VII. Kott Received A Large Amount of His Nominees RKSI Shares and Trading Proceeds and [] Filed Additional False Schedule 13D with the SEC

In late April/early May 1994, about a year after the RKSI takeover, Kott allegedly caused [] to purchase all

²⁴ In a March 21, 1994 Business Week article, [] stated that he had sold 80,000 shares of Hariston Corp stock to fund his purchases of RKSI stock in the takeover. This statement was false. Merit trading records show that [] opened a brokerage account at Merit in May 1993, and received 110,900 Hariston shares into the account later that month and on 8/20/93 (after the takeover transaction had been completed) delivered 80,000 shares to Oeri Finance. Merit trading records further show that Oeri Finance deposited the shares into its JBOC account on 11/3/93. Thus, [] did not sell Hariston shares to fund his purchases of RKSI shares. (Business Week article JBNWS 001 0231-0233; [] 5/93 - 8/93 A/S Merit 003 0619 - 0623; Oeri Finance 11/93 A/S JBEXO 001 0722.)

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400,000 RKSI shares held by [redacted] and [redacted] (converted into JBOH shares). [redacted] now held 880,000 JBOH shares after these purchases. (5/12/94 [redacted] A/S JBOHO 008 1427; 4/29/94 [redacted] A/S JBOHO 008 1425.)

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According to [redacted] June 10, 1994 Schedule 13D filing with the SEC, [redacted] paid \$415,000 to [redacted] and \$85,000 to [redacted] for their JBOH shares. Because the purchase price was \$1.25 per share (the takeover price) neither [redacted] nor [redacted] profited from their sales. [redacted] Schedule 13D was false because [redacted] and [redacted] did not own their JBOH shares and they did not receive full payment for their shares. Both resigned from the RKSI/JBOH board after selling their shares. (6/10/94 [redacted] SCH 13D SEC 00 005 1711-1775; 5/25/94 RKSI board minute BDOOO 007 0247; 3/23/94 Director's consent HOULO 002 01465; 4/28/94 memo re: RKSI board meeting HOULO 001 1336.)

A. [redacted]

In early 1994 [redacted] purchases [redacted] JBOH shares for \$415,000. [redacted] did not receive the sales proceeds. Bank records show that on May 4, 1994, [redacted] sent a \$415,000 check to [redacted]. The bank records do not show that [redacted] made any payments to [redacted] from JBOH [redacted]

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[redacted] made false statements in his June 10, 1994 SCH 13D about having purchases shares from [redacted] falsely stated that he had paid [redacted] rather than Kott, the sales proceeds and that [redacted] rather than Kott, was the seller of the JBOH shares. (6/10/94 [redacted] SCH 13D SEC 00 005 1711-1775.)

In a SEC telephonic interview and testimony, [redacted] confirmed that he had been asked by Kott to hold RKSI shares. In 1993 [redacted] was asked by Kott to hold RKSI shares for a "friend" whom [redacted] initially believed to be a Kott business associate. Later after becoming a RKSI director and witnessing Kott's apparent control of RKS/RKSI, [redacted] concluded that he likely was holding the RKSO shares for Kott, not Kott's business associate. [redacted] explained that he never paid for his RKSI shares, never received his RKSI stock certificate resulting from the RKSI takeover and did not receive payment for the shares when he sold them to [redacted] (Notes of telephone interview with [redacted] transcript from Swiss testimony.)

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B. [redacted]

[redacted] purchased [redacted] JBOH shares for \$85,000. [redacted] did not receive the full sales proceeds. Bank records show only that on May 13, 1994, [redacted] wrote a \$27,000 check to [redacted] with a notation on the check that it was for "RKS stock". (5/94 [redacted] A/S Mercantile Nation Bank, check #2383..)

[redacted] also made a false statement in his SCH 13D about his purchase of JBOH shares from [redacted] [redacted] falsely stated that [redacted] had received full payment for [redacted] shares and that [redacted] rather than Kott, was the seller of the RKSI/JBOH shares. (6/10/94 [redacted] SCH 13D SEC 00 005 1711-1775.)

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c. [redacted]

After acquiring [redacted] and [redacted] RKSI/JBOH shares, [redacted] held a total of 880,000 JBOH shares. [redacted] sold those shares during 1995 and 1996. [redacted] sold half of the shares to Stratton Oakmont (OKOK). [redacted]. The remaining shares were transferred to the Oeri Finance account.

On June 22, 1995, [redacted] sold [redacted] JBOH shares through his JBOC brokerage account for \$659,997. Trading records show that [redacted] sold the shares to a Stratton Oakmont inventory account. Four days later, on June 26, 1995, [redacted] transferred \$200,000 of the sales proceeds to Kott by depositing the funds into the JBOC brokerage account of Oeri Finance. [redacted] left the remaining sales proceeds for himself. (4/28/95 letter to JBOC JBOHO 001 1513; 6/21/95 [redacted] opinion letter OTR00 001 2212; 6/22/95 [redacted] representation letter JBEMO 001 0851; 6/30/95 [redacted] A/S JBEXO 002 0069; [redacted] Form 144 JBEMO 001 0849; [redacted] trade confirmation SEC00 006 0010; 6/95 JBOH blue sheet data; 6/95 JBOC OKOK inventory listing; 6/95 [redacted] A/S at Mercantile National Bank and deposit; 6/25/95 letter to JBOC re: Oeri Finance JBEXO 003 0793; 6/30/95 Oeri Finance A/S at JBOC USA80 022 0996-0998.)

On July 19, 1995, [redacted] filed a false SCH 13D announcing the sale of 440,000 RKSI shares. In the SCH 13D, [redacted] stated that he had sold 440,000 of his shares and that he still owned 440,000 other RKSI shares. These statements were false because [redacted] sold shares for Kott, not himself, and still held 440,000 RKSI shares for Kott. (7/19/95 [redacted] SCH 13D SEC00 005 1192-1196.)

On June 22, 1995, [redacted] transferred his remaining 440,000 JBOH shares (which included [redacted] shares and [redacted] shares) to Oeri Finance's JBOC brokerage account. In a letter, [redacted] told JBOC that the transfer did not constitute a change of beneficial ownership of the shares. Shortly thereafter, on August 7, 1995, [redacted] resigned from the JBOH board of directors and moved to Israel. (4/28/95 [redacted] letter to JBOC JBEXO 003 0675; 6/22/95 [redacted] letter to JBOC JBEMO 001 0857; Oeri FBI 302 from Washington, D.C. interview re: Suffolk assets; 7/28/95 [redacted] JBOC A/S JBEXO 002 0071; 7/28/95 Oeri Finance JBOC A/S JBEXO 001 0761-0762; 8/7/95 [redacted] letter to [redacted] JBOHO 003 0315; Mercantile Bank records re: [redacted] moving expenses; Kott address book with Israel telephone number for [redacted])

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On April 1, 1996 the Oeri Finance brokerage account at JBOC sold [redacted] remaining [redacted] JBOH shares for \$1.32

million. A notation on the April 1996 Oeri Finance JBOC A/S indicates that [redacted] sold the shares to an Oeri Finance client - whom the staff has learned was Kott. In fact, documents provided by [redacted] show that [redacted] to purchase the shares from [redacted] (4/22/96 Oeri Finance A/S JBEXO 001 0804; Form 144 JBOHO 001 1491-1492; 4/1/96 Kott telephone call to Oeri - Kott telephone records database; fax from [redacted] to Oeri re: repurchase of [redacted] JBOH shares FOPMO -)

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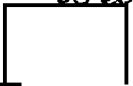
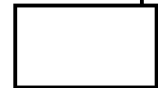
Shortly thereafter, on [redacted] 1996, [redacted] filed a false [redacted] JBOH shares. In the SCH 13D, [redacted] stated that he had [redacted] 40,000 of his shares. This statement was false because [redacted] sold JBOH shares [redacted]

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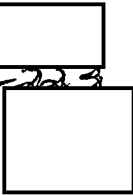
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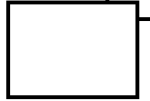
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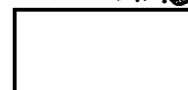


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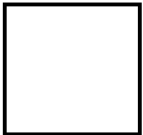
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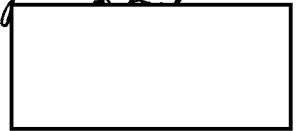
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196C-LA-20800A 229



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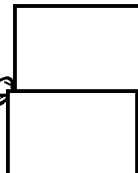




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- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 07/23/2003

[redacted] Telephone [redacted]
work number [redacted] was telephonically interviewed. Present
during the interview was Assistant United States Attorney, [redacted]
[redacted] Central District of California. [redacted] provided the
following information:

b6
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[redacted] was the [redacted]
[redacted] representing the [redacted]
[redacted] At the time [redacted]
[redacted] These broker dealers had
about 60,000 customer accounts. They had no access to their
accounts. The accounts were insured by SIPIC. Adler Coleman was the
first big clearing firm to fail which drew alot of attention.

[redacted] wanted to accomplish two things concerning the
[redacted] They were as follows:

- 1) Transfer accounts quickly as possible, so clients could get
access to their accounts. The bankruptcy trustee had a mandate from
SIPIC to move the accounts.
- 2) Get money into the estate.

An auction was conducted for the Adler Coleman broker
dealers. The Bankruptcy trustee requested firms to make bids.
[redacted] said he had a bias in favor of somebody coming in and
taking all the broker dealers. This would have been easier from an
administrative viewpoint. [redacted] preferred this over multiple
small bids.

[redacted] recollection was that [redacted]
[redacted]

There was a bankruptcy court hearing regarding the
auction. The transcripts should spell out everything that happened
in the auction of Adler Coleman's broker dealers. [redacted] recalled

b6
b7C

Investigation on 7/22/03 at Los Angeles, California (telephonically)

File # 196C-LA 208098 - 231 Date dictated 7/23/03

by [redacted]

196C-1A-208098

b6
b7C



196C-LA_208098

Continuation of FD-302 of [redacted], On 7/22/03, Page 2

there was a side deal between JBOC and Stratton Oakmont, Monroe Parker and Biltmore. It was more of a partnership with those firms making capital contributions to JBOC.

[redacted] identified the following individuals who would have knowledge on the auction of the Adler Coleman broker dealers.

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1)

2)



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196C-4A-20802P-231⁴⁶



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FEDERAL BUREAU OF INVESTIGATION
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1248-1257 ARE
MAINTAINED IN Vol #5

(Title) JB OXFORD (302's)

(File No.) 196C-LA-208098-302-1A

Vol #6

Item	Date Filed	To be returned		OTHER Per Sealing Order
		Yes	No	
1258	9/10/97		X	
1259	" "		X	
1260	" "		X	
1261	" "	X		DRIG. NOTES RE:
1262	" "	X		DRIG. NOTES RE:
1263	" "	X		DRIG. NOTES RE:
1264	" "	X		DRIG. NOTES RE:
1265	" "	X		DRIG. NOTES RE:
1266	" "	X		DRIG. NOTES RE:
1267	" "	X		DRIG. NOTES RE:
1268	" "	X		DRIG. NOTES RE:

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196C-LA-208098-302-1A

SEARCHED	INDEXED
SERIALIZED	FILED
SEP 10 1997	
FBI - LOS ANGELES	

Universal Case File Number 196C-LA-208098-302-1a(58)

Field Office Acquiring Evidence _____

Serial # of Originating Document _____

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By PHOTOGRAPH

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)

Federal Rules of Criminal Procedure

☐ Yes ☐ No

Title: IRVING KOTT, dba
JB OXFORD COMPANY,
SECURITIES FRAUD

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

OTHER Per Sealing Order

[Redacted Description Box]

[Redacted Box]

9/9/97

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Universal Case File Number 196C-LA-208098-302- ^{1a (59)}

Field Office Acquiring Evidence _____

Serial # of Originating Document _____

Date Received 8/19/97

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(Name of Contributor)

(Address of Contributor)

By _____

To Be Returned ☐ Yes ☒ NoReceipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)

Federal Rules of Criminal Procedure

☐ Yes ☒ NoTitle: IRVING KOTT, d/ba
JB OXFORD COMPANY
SECURITIES FRAUD;

Reference: _____

(Communication Enclosing Material)

Description: ☐ Original notes re interview of

OTHER Per Sealing Order

Inventory Receipts (FD-397)b6
b7Cb6
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Universal Case File Number 196C-CA-208098-302-1a(60)

Field Office Acquiring Evidence _____

Serial # of Originating Document _____

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From
(Name of Contributor)

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By
(Name)

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)

Federal Rules of Criminal Procedure

☐ Yes ☒ No

Title: FRUING KOTT

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

Employee identification form

9/1/97

b6
b7C

b6
b7C

EMPLOYEE IDENTIFICATION

8-19-97

9665 Wilshire Blvd., Suite _____, Beverly Hills, CA

NAME: [REDACTED]
RESIDENCE ADDRESS: [REDACTED]

RESIDENCE TEL.: [REDACTED]

CA D/L : [REDACTED]
DOB: [REDACTED] SSN: [REDACTED]

HEIGHT: 5'3 WEIGHT: 150 SEX: F

EYES: BRN HAIR: BRN

POSITION AT COMPANY: [REDACTED]

LENGTH OF EMPLOYMENT: [REDACTED]

IMMED. SUPERVISOR: [REDACTED]

COMPUTER PASSWORDS: [REDACTED]

INTERVIEWED: Yes No

INTERVIEWED BY: Agent name _____

b6
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1960-CA-308098-302-1960

Field File No. 196C-LA-208098-302-1a(61)

Serial # of Originating Document _____

OO and File No. _____

Date Received 8/19/97

From _____

By _____

To Be Returned ☐ Yes ☒ No Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure ☐ Yes ☒ No

Title: IRVING KOTT
dba J.B. Oxford
et al
MF: Money Laundering
Securities Fraud

Reference: _____
(Communication Enclosing Material)

Description: ☒ Original

9/9/97

b6
b7C

194C-LA-208078-302-1961

EMPLOYEE IDENTIFICATION

8-19-97

9665 Wilshire Blvd., Suite 260, Beverly Hills, CA

NAME:

RESIDENCE ADDRESS

RESIDENCE TEL.:

CA D/L :

DOB: SSN:

HEIGHT: 6'1 WEIGHT: 200 SEX: M

EYES: br HAIR: blk

POSITION AT COMPANY:

LENGTH OF EMPLOYMENT:

IMMED. SUPERVISOR:

COMPUTER PASSWORDS:

INTERVIEWED: ☒ Yes ☐ No

INTERVIEWED BY: Agent name

b6
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b6
b7C

8/19/97

①.

- [redacted] was [redacted]

[redacted] interview.

- fairly new department

[redacted]

[redacted]

pd eventually
for class

[redacted]

- doesn't know what he does,
rarely sees him, doesn't know who
Irving reports.

- doesn't know if he has office.

- spoke to [redacted]

- ~~do~~ saw her talk to [redacted]

- doesn't know what she does.

- [redacted] either

b6
b7C

[redacted] or [redacted]

- reports to [redacted] who is [redacted]

- no meetings

- no instructions given.

- there is one but does not know where
belives [redacted]

- no TURRET

①

no EBC trust
Arabella SA
Oepi

b6
b7C


no Hareston Corp
Ophthalmic
Legacy - has heard about it
no personal knowledge.

- JB Oxford Holdings down since
last quarter.

No - Synergy

Cell Tech - heard of it.

- follow-up ^{was provided} telephone trader

 - reports for
correspondents, big problems
doesn't know who he reports to.

b6
b7C

- no questionable activity.

- customer complaints - trade did not go through
complaining about fees, can't
basic customer complains
no asked to promote or trade.

Universal Case File Number 196-LA-208098-302-1a(62)

Field Office Acquiring Evidence LOS ANGELES

Serial # of Originating Document _____

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Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)

Federal Rules of Criminal Procedure

☐ Yes ☒ No

Title:

Reference: _____
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

9/9/97

b6
b7C

8/19/87
10:15 am

[Redacted]

[Redacted]

[Redacted]

6-1 180 M
BLU BLN

b6
b7C

[Redacted]

[Redacted]

@ JBOC

[Redacted]

not for job

[Redacted]

[Redacted]

• Larry Kott - read article about him
doesn't know for or ref c JBOC

b6
b7C

[Redacted]

- No
- No

No note re

[Redacted]

No sugg for Kott

No sales script

[Redacted]

No awareness of improp activity

Universal Case File Number 196C-LA-208098-302-6 (63)

Field Office Acquiring Evidence LOS ANGELES

Serial # of Originating Document _____

Date Received 08/19/97

From _____
(Name of Contributor)

(Address of Contributor)

(City and State)

By SA

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)

Federal Rules of Criminal Procedure

☐ Yes ☒ No

Title:

Reference: _____
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

9/9/97

b6
b7C

[REDACTED]

[REDACTED]

5-8 150

M BRN BRN

b6
b7C

[REDACTED]

Research him

[REDACTED]

[REDACTED]

Int by

[REDACTED]

- kind

Heard Irving Kott rep for advertising

Don't know when office is

Don't know

[REDACTED]

"

"

[REDACTED]

No dir re Irving Kott

[REDACTED]

looked up co. knows

[REDACTED]

is major waste

in Switz

SB Holdings

b6
b7C

SB Oxford Holding - looked up on NET Basel Sw

No part sec.

Clinto - call - ask for help - plan order
Maristea cos.

No sale script

[REDACTED]

- name sounds familiar

Not fam w/ any unprop act.

b6
b7C

Universal Case File Number 196C-LA-208098-302-1a(64)

Field Office Acquiring Evidence LOS ANGELES

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Date Received 08/17/97

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(Name of Contributor)

(Address of Contributor)

(City and State)

By SA

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)

Federal Rules of Criminal Procedure

☐ Yes ☒ No

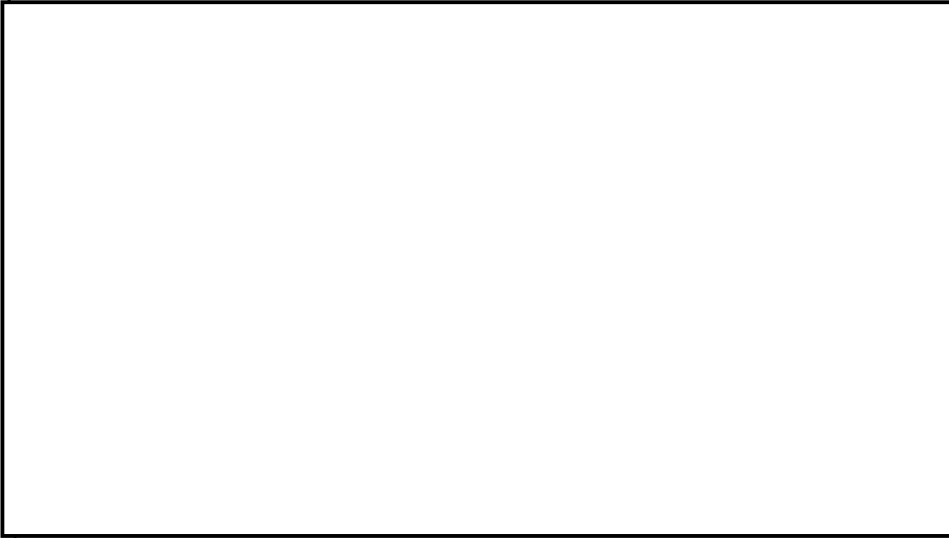
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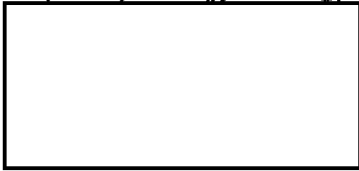
9/9/97

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b6
b7C

• Res resp only poss.



• int + blind

Knows Iov Kott - does not know resp.

Just he heard IK was consultant



- know name - does not pos or resp



- no

No knowledge of outgo @ KOTTs vs.

No instrs.

Tell what they knew re. actual i TIME

Only aware of in storage

TURNER - no

Heard of Hamilton -

Q3H - heard of it

Jegany IPO - 5/96

SB Oxford - clearing firm for in Oxford Co.

[redacted]

b6
b7C

No info from KOTT re accounts

No sales scripts

No disc of selling

Weekly sales mtps - KOTT only @ own
re new commercial

[redacted]

of SBOC

b6
b7C

Not aware of any info or goes activity

Investigate re: cancellly of market orders
told not to cancel market orders
policy has changed

Universal Case File Number 196C-LA-208098-302-1a/65

Field Office Acquiring Evidence Los Angeles

Serial # of Originating Document _____

Date Received 08/19/97

From _____

(Name of Contributor)

(Address of Contributor)

(City and State)

By SA

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)

Federal Rules of Criminal Procedure

☐ Yes ☒ No

Title:

Reference: _____

(Communication Enclosing Material)

Description: ☒ Original notes re interview of

9/9/97

b6
b7c

[Redacted]

8/19/97
10:00 am

[Redacted]

Reg ref @ JBOC

[Redacted] int.

[Redacted]

[Redacted]

- Just reports to

[Redacted]

b6
b7C

Does not know

[Redacted]

[Redacted]

[Redacted]

No info re

[Redacted]

No sugg for KOTT

No sales script

Weekly sales mty - no KOTT

Just what is needed

No under funding

[Redacted]

b6
b7C

[Redacted]

Universal Case File Number 196C-LA-208098-202-1a(b6)

Field Office Acquiring Evidence LOS ANGELES

Serial # of Originating Document _____

Date Received 08/19/97

From _____
(Name of Contributor)

(Address of Contributor)

(City and State)

By SA

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)

Federal Rules of Criminal Procedure

☐ Yes ☒ No

Title:

Reference: _____
(Communication Enclosing Material)

Description: ☒ Original notes re interview of


9/1/97

b6
b7C

8/19/97
8:30 am



b6
b7C

Does not know IK rep - does not know who IK is
" " " " 

BMC - No

No coa.

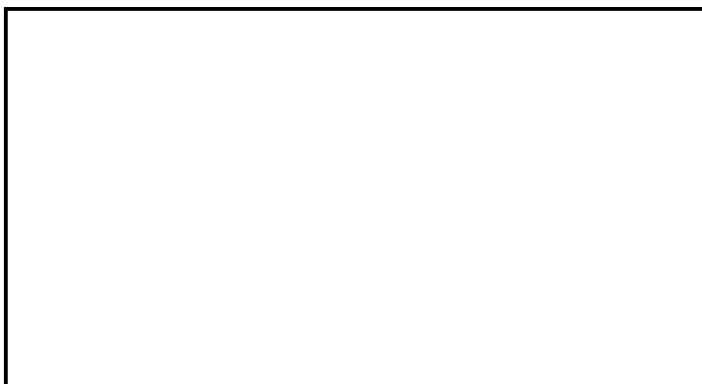
No sales script

Does not know 

Not aware of any imp activity

b6
b7C

paid salary - 



S-6 - 115 M BLK/BLK

Serial # of Originating Document _____

From _____

(Address of Contributor)

City and State

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)

Federal Rules of Criminal Procedure

☐ Yes ☒ No

Reference: _____
(Communication Enclosing Material)

Description: ~~X~~ Original notes re interview of

7

9/9/97

b6
b7C

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Started as

[REDACTED]

b6
b7C

[REDACTED] internal + his

IK was consultant - heard he terminated

Does not know

[REDACTED]

[REDACTED]

No intr.

No TURKAT

Harston Corp - HARBENF -
OFSEI - heard of

LG CY - ~~HB~~ underwrote

No script

No dir re vid stocks

He does not recommend any stocks

New assets work under him

[REDACTED]

Asia Market Group Director

b6
b7C

[REDACTED]

Asian clients (not markets)

Universal Case File Number 196C-LA-208098-302-1A(68)

Field Office Acquiring Evidence LOS ANGELES

Serial # of Originating Document _____

Date Received 08/19/97

From _____
(Name of Contributor)

(Address of Contributor)

By SA

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)

Federal Rules of Criminal Procedure

☐ Yes ☒ No

Title:

Reference: _____
(Communication Enclosing Material)

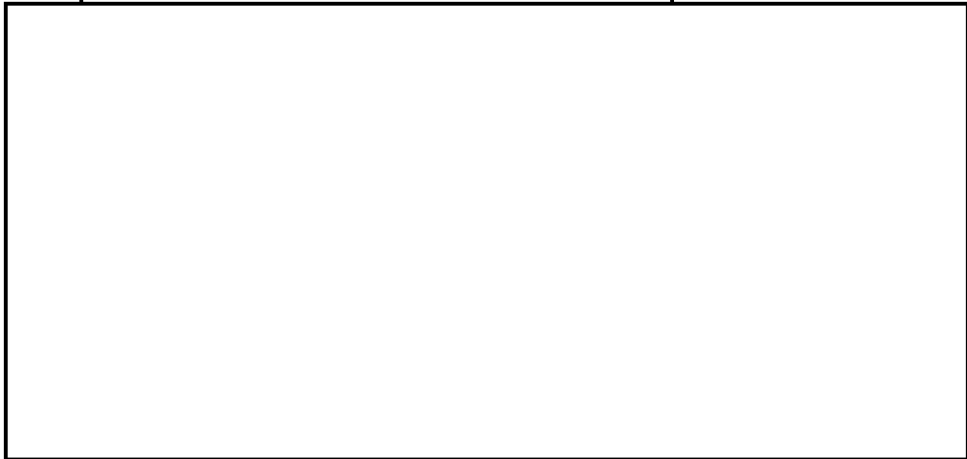
Description: ☒ Original notes re interview of

9/9/97

b6
b7C



1) Entend



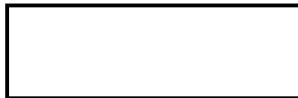
b6
b7C



Report to



• Int. by



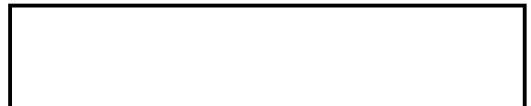
2) IK - "mystery man" - claim to be advertising
type entity

• doesn't know - my report to

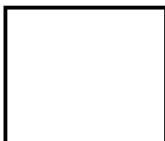


b6
b7C

IK has office in just



No say in hiring / firing



• she ~~isn't~~ tell them when there
is a position in error acct that
shouldn't be there



has done that recently)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

No info re KOTT

Have stories - doesn't know where it is
[REDACTED] would know
she is HR.

No info re TURNER

EBC - mentioned in Legacy Prospector
Anabelle - No

OERI - [REDACTED]

JB Oxford

Hariston - JB Oxford joke - went for \$8 to [REDACTED]
didn't buy or sell

OISI - JB did sell -

Legacy - mention - JB IPO

JB O Holsby - No

All Tech - comes.

[redacted]
KOTT suggest - No

Sales staff is not to work on open stock

No sales scripts - research memos for [redacted]

KOTT - says imp to open acct

pretty obvious

SB advert on CNBC - mon thru
anyone on west coast

[redacted]
[redacted]
Traders could be better

No a insider

When [redacted] says "we like the stock"

[redacted] - manages other

He answers to [redacted]

KOTT around a couple days of couple mos.
Last yr couple mos at a time

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
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FOI/PA# 1347683-0

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Page 10 ~ b3; b6; b7C; b7D;

Page 11 ~ b3; b6; b7C; b7D;

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Page 24 ~ Duplicate;

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Page 10 ~ b3; b6; b7C; b7D;

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Page 12 ~ b3; b6; b7C; b7D;

Page 24 ~ Duplicate;

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FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 01/09/2001

To: Los Angeles

Attn: SA [redacted]

b6
b7C
b7E

From: Los Angeles
[redacted]

Contact: [redacted] ext. [redacted]

Approved By: [redacted]

Drafted By: [redacted]

Case ID #: 196C-LA-208098-FA

Title: Irving Kott, dba
JB Oxford,
Et al;
Securities Fraud

Synopsis: To close sub-FA file.

Details: Captioned investigation involving securities manipulation and investor fraud of various publicly traded companies was assigned to FA [redacted] FA [redacted] scheduled stock trades, bank accounts and accompanied Case Agent to meetings with the Securities Exchange Commission (SEC). Due to the lengthy period of financial analysis inactivity, sub-FA file is to be closed.

b6
b7C

If such need arises in the future, Case Agent will need to re-submit an EC to request a financial analyst and to reopen sub-FA case file.

♦♦

196C-LA-208098-FA-2
2-12-01
CJH
JL
1/10/01

00-1A1W04.EC
009-01A1W04.EC

1960-44-25508-FA-3

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 04/17/2001

To: Los Angeles

Attn: SSA [redacted]

ext [redacted]

b6
b7C
b7E

From: Los Angeles

Contact: FA [redacted]

ext [redacted]

Approved By: [redacted]

Drafted By: [redacted]

:RZ

Case ID #: 196C-LA-208098-FA (Pending)

Title: Irving Kott DBA
JB Oxford Holdings Inc (JBOH);
JB Oxford and Company (JBOC);
ET AL;
Securities Fraud;

GRAND JURY MATERIAL - DISSEMINATE PURSUANT TO RULE 6(e)

Synopsis: Report of findings.

Enclosure(s): [redacted]

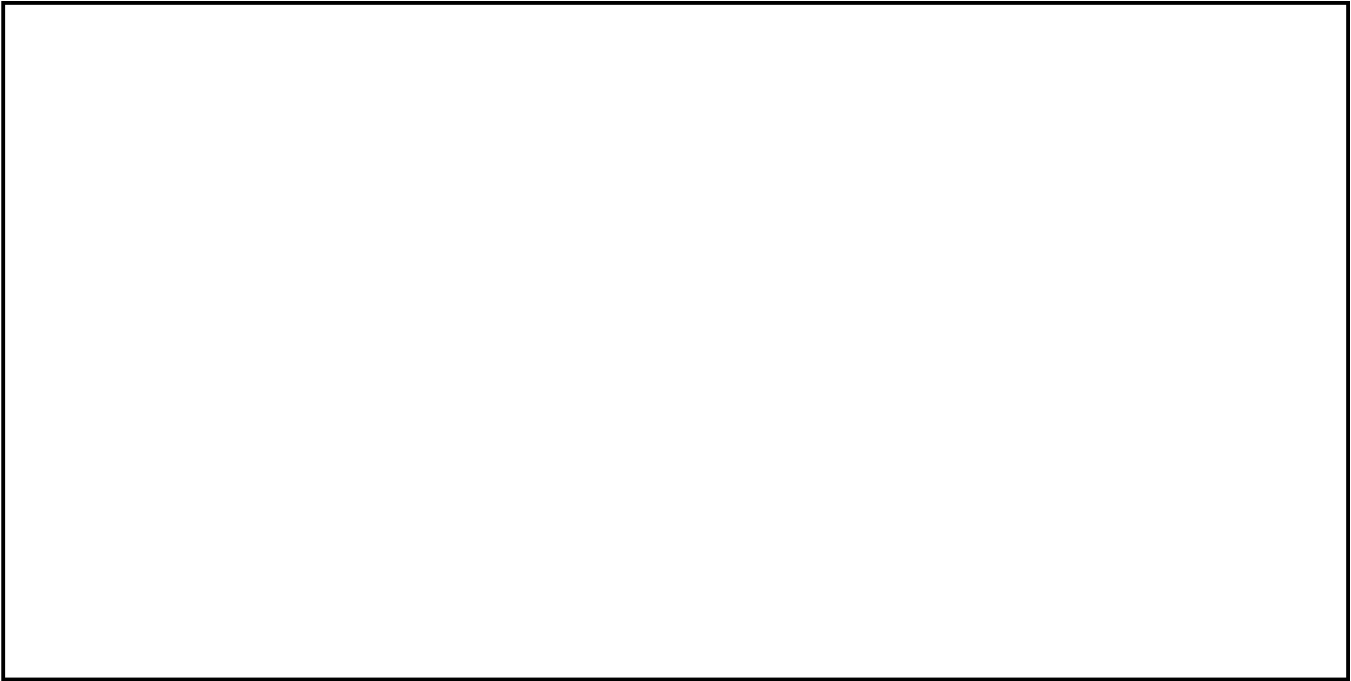
Details: [redacted]

b3
b6
b7C
b7D

File: 107r201.ec

196C-LA-208098-FA- 4

b3
b7D



♦♦

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UNITED STATES GOVERNMENT

Memorandum

TO : Director, FBI

DATE: 3-11-72

FROM : SAC, Cleveland (92-new)

SUBJECT: IRVING KOTT
AR

On 2/10/72, Mr. GEORGE HAUER, former FBI Agent and SAC Contact who is employed as Assistant to Managing Partner Ernst & Ernst, a worldwide accounting firm based in Cleveland, Ohio, furnished information that had come to his attention through Research Associates, Inc., a private investigative firm located in Cleveland.

Mr. HAUER advised confidentially that Ernst & Ernst as a matter of policy investigates individuals who avail themselves of Ernst & Ernst services. Of necessity, they are required to utilize private investigators for this purpose, and do so with the agreement that they will not question the sources utilized by those investigative services. It is, therefore, impractical to seek further information from the original source concerning the information set forth below.

Mr. HAUER particularly stressed the need that this information be handled most discreetly, so as to protect Ernest & Ernst, and also the fact that Ernst & Ernst investigates potential clients.

For the information of Newark, Research Associates is headed by WENDELL V. SWEET, a former FBI Agent.

Information was received by Ernst & Ernst, Cleveland, on 1/21/72 in connection with an audit client, Shattuck Denn Mining Corporation. The Newark office advised that another firm, Belgium Standard Ltd., Toronto, Canada, had acquired 23% of the stock of Shattuck, and Belgium Standard now wanted to place two individuals on Shattuck's board. One of the principal stockholders of Belgium Standard was identified as IRVING KOTT, who was also associated with Onyx Investment Ltd., Montreal. In addition, he has an interest in the brokerage firm L. J. Forget. who is currently a Director of Belgium Standard, was to be one of the two individuals placed on board. The other was of the Belgium Standard Ltd.

2-Bureau
2-Newark

1-Cleveland

JWB:DG

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

(5)



On 1/26/72, information was received verifying that "KOTT does have Mafia connections and is an associate of the Mafia chieftain in Canada". Further information indicates that KOTT "handles hot stocks", and the three firms that he is associated with--Belgium, Onyx and Forget, are used as fronts for these stocks. [redacted] are associated with KOTT and are his "front men".

On 1/28/72, Ernst & Ernst learned that there is considerable interest being expressed in their inquiry on the part of all Canadian authorities as to the activities of KOTT, his firms, and his associates. These sources have in their possession a great deal of intelligence information that they at this time could not prove in court. Quite naturally, they are somewhat reluctant to release this information, as it could jeopardize years of undercover intelligence work. Ernst & Ernst is continuing its efforts to find some public record information that would confirm the above intelligence information, so that Shattuck could take something in writing to the Securities and Exchange Commission. Information was subsequently received by Ernst & Ernst indicating that Shattuck had obtained information in Canada to the effect that KOTT had Mafia connections. At that point, Shattuck approached Ernst & Ernst seeking their assistance and confirming this information so that same could be provided to the Securities and Exchange Commission in an effort to thwart the efforts of KOTT and his associates to acquire stock of Shattuck.

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Mr. HAUER stated confidentially that Shattuck then was the subject of a prospective client investigation by Ernst & Ernst in October 1971. No derogatory information was developed concerning Shattuck at that time. Information was developed, however, concerning [redacted] the former president of Shattuck, who had some difficulty with the Securities and Exchange Commission. [redacted] although no longer associated with Shattuck, led an unsuccessful stock fight to regain control. It has been rumored that [redacted] sold his stock in Shattuck to the KOTT group.

The Cleveland office possesses no identifiable information concerning IRVING KOTT or his associates [redacted] It is noted, however, Bulet to Albany 8/7/58 captioned "Jewel Theft Investigations"

CV 92-new

lists top jewel thieves, including IRVING KOTT, FBI #776491, oo: New York.

It would appear information concerning these individuals was developed by Research Associates from sources within the [redacted]. If the information alleged is true, it would appear organized crime money may be being channeled through KOTT and his organizations for investment in legitimate concerns. In addition, KOTT and his firms may be involved in fencing stolen securities.

Subsequent to receipt of the above information, Mr. HAUER furnished additional highly confidential information concerning IRVING KOTT and his associates as follows:

IRVING KOTT is reportedly a close associate of [redacted] who, according to source, controls the rackets in Canada. [redacted] reportedly was the original member of organized crime in Canada; however, he remained in the background while other members of organized crime became more prominent. As the latter experienced difficulty with Canadian authorities and were deported, [redacted] again emerged. [redacted] reportedly is suing a publishing firm for publishing a story that alleges he is connected with and/or controls organized crime activities in Canada.

b6
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b7D

According to sources (possibly [redacted]) KOTT is the individual who handles stock for organized crime. He utilizes Belgium Standard Ltd., L. J. Forget, and Onyx Investment Ltd. as fronts to promote these stocks. Other individuals identified by source as associates of CATRONI, who are also involved in stocks, are [redacted] and [redacted]. [redacted] is described in an article appearing in the "Wall Street Journal" on 1/28/72, entitled "Canadian Caper", as an individual who has a "colorful background", including several brushes with regulatory authorities. Three years ago, [redacted] was named as one of the twenty-three defendants whom the SEC sought to enjoin from further violations of the registration provisions of the United States Securities Act of 1933. This action came in connection with the alleged sale to United States investors of three million unregistered shares of

Capital Holding Corporation, and its predecessor, Empire Oil Company. [] agreed to a consent judgment without admitting or denying the truth of the allegations.

The article goes on to state that a year later [] was named, but not indicted, as a co-conspirator in a tax evasion case against [] who has been described in Senate testimony as a major New Jersey mob figure. The article further states that [] and [] allegedly bought and sold securities in such a fashion as to conceal the investments and income of []. According to the article, this case is still pending, although [] is serving a sentence of 12-15 years after having been convicted of conspiracy and bribery of public officials. [] is the subject of an inquiry in Canada involving an alleged stock fraud of Pan American Mines.

According to source, KOTT is also known to aid companies in financial difficulty or in need of funds for expansion. He deals in the promotion of public stock through L. J. Forget Ltd. of Montreal. He is reported to control this brokerage house financially through his many dealings and promotions in various stock issues.

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b7C

[] of Belgium Standard, and [] the president, are purported to be associates of KOTT and front men. KOTT and his associates reportedly push "hot stocks", and if there is anything crooked or questionable in stocks, they go through KOTT and his associates.

Source also reports that KOTT is known to be associated with [] who deals in stocks and real estate. Source reports that [] is known for dealing with organized crime, and is associated with [] both of whom are directly connected with organized crime. [] is also a partner with one [] in the ownership of the Corporate Bank and Trust Company in Freeport, Nassau, Bahamas. [] and one [] own and operate a garbage disposal company in Ottawa, Ontario under the name of [].

Source further reports that [] and IRVING KOTT reportedly acquired the International Bank and Trust Company in Nassau, and source states a method of scheming is involved whereby funds are filtered from the

BAHAMAS
CANADA

CV 92-new

United States and Canada into the International Bank and Trust Company in Nassau. From this point, the funds are transferred to unlisted Swiss bank accounts from where European moneys are returned in the form of foreign investments. It is reported that the money coming back into the United States comes in through the Corporate Bank and Trust Company in Freeport, and then back into Canada. KOTT is looked upon by source as being a specialist for organized crime in fraudulent schemes to acquire control of firms either through the providing of financial support or through acquisition of shares through the brokerage firm of L. J. Forget.

Due to the nature of the information furnished on a highly confidential basis, no effort should be made by the Newark office to contact either Ernst & Ernst Newark office, or the Shattuck Denn Mining Corporation unless suitable pretext can be developed that will fully protect Cleveland's contact. The Bureau should be furnished any information available to Newark which would substantiate or negate the information set forth above.

Cleveland will maintain contact with Mr. HAUER in the event additional information can be developed to amplify the allegations set forth above.